

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
MEETING MINUTES

July 24, 2024
6:30 p.m.

Bellevue City Hall
Room 1E-112

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

COMMISSIONERS REMOTE: Commissioner Ferris

COMMISSIONERS ABSENT: Commissioner Villaveces

STAFF PRESENT: Janet Shull, Emil King, Thara Johnson, Linda Abe, Hannah Bahnmler, Sabrina Velarde, Jennifer Ewing, Justus Stewart, Department of Community Development; Matt McFarland, City Attorney's Office

COUNCIL LIAISON: Deputy Mayor Malakoutian

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

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

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

2. ROLL CALL
(6:31 p.m.)

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

3. APPROVAL OF AGENDA
(6:32 p.m.)

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

A. Election of Officers
(6:32 p.m.)

Commissioner Ferris nominated Vice Chair Goepple to serve as Chair. Absent additional nominations, the nomination was unanimously approved.

The gavel was handed to new Chair Goepple, who took a moment to thank Commissioner Bhargava for serving as Chair with patience and wisdom.

Commissioner Bhargava nominated Commissioner Cálad to serve as Vice Chair. Absent additional nominations, the nomination was unanimously approved.

4. REPORTS OF CITY COUNCIL, BOARDS AND COMMISSIONS
(6:37 p.m.)

Deputy Mayor Malakoutian thanked the outgoing Chair for doing an amazing job leading on the Wilburton and Comprehensive Plan Periodic Update projects.

Deputy Mayor Malakoutian reported that at the Council's July 23 meeting the Bellevue Redmond Tourism Promotion Board (BRTPA) submitted its budget for how to use the revenues collected from lodging taxes to promote tourism in Bellevue and Redmond. The Council also moved forward with the Wilburton Comprehensive Plan amendment and adopted the ordinance.

5. STAFF REPORTS
(6:40 p.m.)

A. Planning Commission Meeting Schedule

Strategic Planning Manager Janet Shull took a few minutes to review the Commission's schedule of upcoming meeting dates and agenda items.

6. WRITTEN AND ORAL COMMUNICATIONS

A. Written Communications
(6:42 p.m.)

Strategic Planning Manager Janet Shull noted having received a total of four email communications following publication of the packet. Three of them were from the same individual and all were in regard to the Sustainable District Opportunity Assessment area.

B. Oral Communications
(6:43 p.m.)

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

Neal Mulnick said the Council meeting on July 23 was a big day with the adoption of the Wilburton subarea plan, the policies and the future land use map. Attention now turns toward the Land Use Code and the sustainable district where there remains much work to be done. Housing and housing affordability is a top priority for Wilburton. Everything else added in on top could just delay the ability to deliver housing. The city commissioned a study that showed that rents need to go up 30 percent for midrise housing just to reach the breakeven point; it is even more for highrise. Anything done that adds more cost will only trigger even higher rents. Washington has one of the strictest energy and building codes in the entire nation, and anything that gets built is already at a very high standard. Being energy and environment conscious is important, but there are tradeoffs and priorities to be considered. Wilburton currently is mostly surface parking lots and car dealerships. Anything that gets built will be better than what is there and will be able

to take advantage of all the investments in infrastructure. The Commission was urged to seek an understanding of the total cost of implementing the LUC and the sustainability district. It is just not possible to have everything; if everything is wanted, rents will have to go up a lot more.

Court Olson, a Lake Hills resident and president of People for Climate Action, encouraged the Commission to work toward LEED for Cities and Communities as the best format for creating a sustainability roadmap. The LEED certification process is both rigorous and worthwhile. When a project achieves LEED certification, especially at the platinum level, all stakeholders can be assured of what was accomplished. LEED certification programs typically offer four levels of achievement, and the platinum level should be the city's goal as it assures the most beneficial outcomes for all. LEED certification programs across the board have recently been revised and improved to focus heavily on sustainability and low carbon footprints. All new buildings constructed in the district should conform to the LEED platinum certification. Should the city aim for LEED silver certification, it would be underwhelming.

Jessie Clawson agreed with the remarks of Neal Mulnick relative to considering the costs associated with the Wilburton LUCA and the sustainability district. The state's energy code is very difficult to achieve. There are a number of amazing opportunities available for making places wonderful and sustainable. One of the best ways to get there is to encourage the use of incentives. The waste heat district energy system is an exciting opportunity. People should be incentivized to hook up to that, all to help offset the cost.

Alex Tsimerman began with a Nazi salute and called the Commissioners dirty damn Nazi fascist pigs. Housing is very interesting. Changes will never be made when Mayor Robinson every meeting has new rules. Changes will not happen when there is a totally corrupt government. Deputy Mayor Malakoutian supports the Mayor. It is idiotic that the Mayor can do whatever without caring about the rules, the constitution or city codes. It will not be possible to make housing for poor people because of that. The government that acts like a Nazi pig must be changed. Everybody that comes to the city only cares about their career and themselves. The Commissioners are the same.

Chair Goepple asked the record to reflect that the previous speaker's comments were yet another violation of Ordinance 6752. It had nothing to do with the subject matters covered by the Commission, and sounded a lot like a campaign speech.

Bill Finkbiner voiced admiration for the work done by the Commission and for putting up with people who have mental illnesses. The Council unanimously passed the Comprehensive Plan update and the attached Future Land Use Map for Wilburton and voiced appreciation for the work of the Commission. The next task before the Commission is going to be daunting. The biggest challenge in regard to the Land Use Code is the state of the market. The cost of materials has gone up, as has the cost of labor, neither of which is likely to go down any time soon. Interest rates remain high and also are not likely to fall by much any time soon. The economic analysis done by the city shows that rents have to rise over 30 percent to break even, even for the most economical types of construction. Forty percent increases are needed to break even when it comes to highrise developments. In light of that situation, some difficult tradeoffs will need to be made. There is a lot that can be done and public benefits will be delivered. The dollars invested in Wilburton in terms of light rail, Eastrail and the rapid ride bus service will have a significant impact on carbon output for the future residents of the area. In looking at things like an eco-district and LEED certification, it will be necessary to look at the cost benefits. Achieving the LEED standard is a good thing. It is good for branding and helps people understand the benefits for the district.

Alexis Chartouni, development manager for the Bellevue station project in BelRed, noted being vested under the 2015 building code. The project was not initially going to go for any type of LEED or green rating, but under the 2015 energy code the project is LEED gold without even trying. It would take a couple more hundred thousand dollar investments to achieve LEED platinum. Mandating a LEED rating is pointless; that ship has sailed given that the energy code covers all of that anyway. Where it does make sense would be in providing incentives to go beyond what the code requires. The consensus is that no one gets another dollar in rent from having a LEED plaque on the front of the building. Tenants do not care, which generally means builders do not care. Incentives that will ultimately generate more revenue through more floor area, more rentable units or more retail rents, most will strive a little harder to do better for the planet.

7. PUBLIC HEARING – None
(7:03 p.m.)

8. STUDY SESSION

A. Affordable Housing Program Update
(7:03 p.m.)

Affordable Housing Manager Linda Abe introduced Housing Stability Program Manager Sabrina Velarde and Senior Affordable Housing Planner Hannah Bahnmler.

Sabrina Velarde reminded the Commissioners that the Affordable Housing Strategy was adopted by the Council in 2017. Affordable housing had actually been prioritized two years before and the work done then identified the fact that there is no one answer to affordable housing. It was learned that bold action is required and that the strategies adopted must be dynamic, adaptable and measurable, and that resources invested must be sustainable over time. The Affordable Housing Strategy includes five overall strategies: 1) helping people stay in affordable housing; 2) creating a variety of housing choices; 3) creating more affordable housing; 4) unlocking the housing supply by making it easier to build; and 5) prioritizing state, county and local funding for affordable housing. Of the 21 identified actions, most have been implemented or are in progress. In 2022 the Council approved the Next Right initiative to further increase housing opportunities and to target some of the actions in the Affordable Housing Strategy.

In adopting the 2017 Affordable Housing Strategy, the Council set as a goal preserving or producing 2,500 affordable units in ten years. To date, 2,750 units have been built or preserved, a quarter of which are in the pipeline. A number of notable accomplishments have come out of the process. The Eastgate housing campus includes permanent supportive housing, the men's shelter and workforce housing. The campus is set to be fully leased by the end of the month. The multifamily tax exemption program, which was reworked as part of the Affordable Housing Strategy, has resulted in a pipeline of projects. The Housing Stability Program has established an annual process to allocate funding, and an RFP for \$10 million was released in June and prioritizes housing serving households earning 50 percent of area median income or less, with some flexibility up to 60 percent of area median income.

The C-1 program is an innovative program that encourages the development of affordable housing on faith-owned properties. Strategy C of the 2017 Affordable Housing Strategy is focused on creating more affordable housing, and Strategy C-1 is specifically focused on land owned by public agencies, faith-based organizations and non-profits. State legislation adopted in

2019 required a bonus for any non-profit or religious organization building affordable housing on their properties, applicable both in single family and multifamily zones. Phase 1 of the C-1 program is aligned with the state legislation and establishes broad density bonuses in return for one hundred percent permanent affordability. As part of the C-1 process, the city heard from a variety of stakeholders who noted interests in opportunities in single family areas related to faith-owned properties. Phase 2, which was adopted in the summer of 2023, went further than what was required by identifying 36 sites appropriate for increased density beyond the Phase 1 bonus of 50 percent. The 36 sites theoretically have the capacity to create 4400 additional units of permanent affordable housing.

Several churches are in the early exploration stages to develop on their properties. One such property is St. Peters United Methodist near the Crossroads neighborhood. It is situated near two bus stops near a neighborhood park. The church recently released an RFP and has identified a developer with whom negotiations are under way.

Three of the five identified tasks in the Next Right Work have been completed to date, specifically the micro apartments LUCA; reducing the permit fees for affordable housing projects; and simplifying and expediting the permitting process for affordable housing. On May 8 the Council extended an Interim Official Control focused on Downtown land use districts. Phase 2 of the action is to increase FAR for residential in mixed use areas. Phase 1 of the middle-scale housing action was adopted on July 17, 2023, and it included removing barriers to attached ADUs.

Hannah Bahnmitter said the work accomplished since 2017 is very exciting. There is, however, yet a lot of work to be done given the ongoing affordability crisis and the continued great need for affordable housing. To that end the Council directed exploring a new affordable housing target. In April, staff presented an approach and a starting point figure to the Council. While generally supportive, the Council directed meeting with technical stakeholders and further engaging on the target and methodology before returning to the Council in the fall.

The affordable housing starting point target is focused on income-restricted housing, generally under 80 percent of area median income. It is clear that having a goal that can be measured against can be met. There has been a lot of policy work done over the last several years, and having a target helps in evaluating the effectiveness of implementing those policies, and in identifying the resources needed to attain the goal.

The methodology presented to the Council in the spring was based on the city's 25-year housing growth target of 35,000 units. That figure was narrowed into 10-year increments, which worked out to about 14,000 units. The methodology utilized in the Housing Needs Assessment to determine the gaps was used to distribute housing need by income to further break down the 14,000 units. Of the total 14,000 units, about 5,700 will need to be affordable to those under 80 percent of area median income. That number is what is proposed to serve as the starting point target. Sub-targets of that total are proposed for the different income bands, namely 2700 units for zero to 30 percent of area median income; 1450 units for between 30 percent and 50 percent of area median income; and 1550 units for between 50 percent and 80 percent of area median income.

Hannah Bahnmitter allowed that different tools will be needed for each affordability level in order to achieve the goal. The level of support needed varies by level of affordability. Units affordable to folks making 50 percent of area median income and above can effectively use land use and financial incentives, such as the multifamily tax exemption program. The lower income

levels, however, need more support to make projects feasible, including capital funding and ongoing operating subsidies. The upshot is that the city will need more affordable units faster. Where the average annual production of units at less than 80 percent of area median income between 2017 and 2023 was 271, meeting the new target will require ramping that number up to 570 units per year, with a primary focus on units under 50 percent of area median income. Significantly more funding will be needed to build those units.

The Council indicated that there are additional metrics that are important beyond just achieving an overall number of affordable units. Those metrics include tenure, new construction versus preservation, family-sized units, geographic distribution, and emergency housing. More tools and more funding of all kinds is going to be needed to get to the starting point target, but given past progress there is reason to be optimistic.

An update to the Affordable Housing Strategy is being planned but has not yet been formally launched by the Council. The 2017 version of the strategy does not have a statutory requirement or a public hearing requirement, so it does not go through the Planning Commission formally. The intent, however, is to keep the Commission updated as the work progresses. Action items that come out of the update will come before the Commission as Land Use Code amendments. Some pre-launch engagement is under way by way of reaching out to technical stakeholders to gain their perspectives, including a subcommittee of the Chamber of Commerce, the Bellevue Development Committee, and the Eastside Affordable Housing Coalition. The goal is to inform how to approach the ambitious target. Representatives from each of those groups will be invited to participate in a follow-up focus group.

Commissioner Bhargava asked how many of the 2750 affordable units came about through preservation versus new construction. Linda Abe said half of them will come from preservation. In Bellevue, there is actually quite a bit of naturally occurring affordable housing as the housing stock ages and becomes harder to maintain. That opens the door to potential acquisitions.

Commissioner Bhargava suggested that the strategy for achieving zero to 30 percent of area median income and 30 to 50 percent of area median income is unclear. Hannah Bahnmitter said it is known those levels will take a lot more funding resources from local, state and federal sources. In addition to capital funding, there will be a need for ongoing operating subsidies. Commissioner Bhargava recommended building a very deep strategy focused on those two segments.

Commissioner Bhargava allowed that having focus groups is a good step. Non-profit developers should be invited to participate as well. Hannah Bahnmitter said the pre-launch engagement is not a substitute for ongoing engagement throughout the update. The engagement plan to be drafted will include connecting with a broad variety of stakeholders.

Commissioner Lu asked what the timeline looks like for a site going through the C-1 program. Sabrina Velarde said because the program is new, there is no case study showing the numbers. While churches are uniquely positioned to understand the needs of their constituents, they are not developers and as such, need a lot of help at the outset, which extends the timeline to some degree. From start to finish would require at least a couple of years. The need for pre-development assistance has been voiced, and funding for feasibility studies. Enterprise has a good technical assistance program for faith-based property owners and they have also encountered the need for initial guidance.

Commissioner Lu asked for a sense of the number of housing starts over the last two years.

Hannah Bahnmilller said staff would have to break down the seven-year data into annual units brought into service before sharing it with the Commission. Commissioner Lu said that would be helpful.

Commissioner Lu asked for more information about the capital stack relative to the zero to 30 percent of area median income and 30 to 50 percent of area median income categories. Linda Abe said there are essentially six to twelve different funds, each of which has its own restrictions. It can take two or three years to process. Commissioner Lu asked if the capital stack changes in terms of preservation versus construction. Linda Abe said preservation requires a little bit less.

Commissioner Ferris voiced the understanding that the goal of 2500 units from the 2017 Affordable Housing Strategy related to new units, and that preserved units were to be on top of that figure. Going forward, new goals should be clear about what is going to be produced versus what is going to be preserved. Both are important, but equating the two muddies the data.

Commissioner Ferris commented that the funding gap that exists, especially at the lower-income levels, is immense. While there may be many sources of funds, there is nowhere close to enough. It is at the higher end, the 60 to 80 percent of area median income, where the churches are likely going to be performing. A clear and involved strategy showing how the goals are to be met will be critical. The city took on the 2017 goal because it thought it was the right thing to do, and the 2500 units goal was derived not from the need but what the city thought could be reasonably produced. Now the state is mandating cities to come up with plans for producing those units and the cities cannot simply say they will try, they must come up with real live plans.

Commissioner Khanloo commented on the difficulties associated with finding developers interested in zero to 30 percent of area median income projects, and voiced the understanding that most developers are interested in taking ownership of the land, which the churches may not want. Some research should be done as to how the churches can retain ownership of the land.

Commissioner Cálad said more information is needed to inform the big picture. More needs to be known about the individuals in need of affordable housing, such as the age of the residents, how many members there are in the family, and how long they will need to remain in affordable housing. Ideally the younger persons will find a way to move on from affordable housing, but seniors may need to remain in affordable housing for as long as possible. Details are also needed in regard to how persons in need of affordable housing are matched with available units. Commissioner Cálad said it would also be helpful to see a graphic comparing the proposed targets to those of King County, and to know how the financial needs differ between for-profit and non-profit developers.

Sabrina Velarde said everyone who participates in the affordable housing programs benefits from the entire continuum of options. Different folks have different needs, and each persons' need must be met where they are. More information about how each of the buckets work can be provided to the Commission, along with more details about process.

Chair Goepple asked what the Commission can expect to see come before it in the coming year that will relate to affordable housing. Hannah Bahnmilller said most of the items to come before the Commission will not be coming from the affordable housing team, rather they will be coming from the teams charged with implementing the actions in the 2017 plan. The work will include the Wilburton LUCA and the conversations around affordable housing programs in that area. The Department of Development Services is also working to implement new state requirements

around middle housing.

Chair Goepple noted there had previously been some discussion about mandates versus incentives and asked if that will be coming to the Commission. Janet Shull said those conversations were tied to looking forward to the Wilburton LUCA. In the preliminary draft, both options were highlighted. That will definitely be coming back to the Commission in one form or another.

Chair Goepple asked what the per-unit annual funding gap averages out to be for zero to 30 percent of area median income units and 30 to 50 percent of area median income units. Linda Abe answered that in general staff have not separated the gap on a per-unit basis. Total development costs per unit average between \$500,000 and \$600,000. Operational costs are on top of that.

With regard to the timeline for a typical affordable housing project, Commissioner Ferris stated that the federal tax credits are awarded to the state are locally distributed by the King County Housing Authority. There are numerous strings attached to those funds, and the process to get them is very competitive. When projects apply for the tax credits, they must show that they have public funding support, specifically money from the local community, and must show compliance with a lot of other criteria. Generally, projects of about 100 units on the Eastside can be expected to be funded at the rate of one every other year. It is great that several Bellevue churches are interested in the C-1 approach, but it takes a long time. The St. Peter's project may possibly be able to begin its project in 2029 or 2030. Another church, St. Andrew's, is ahead in line. The funding cycle occurs only every other year. Many of the C-1 church properties are facing financial difficulties and will either close or sell to the highest bidder. It needs to be recognized that the current model will not achieve the desired results.

Commissioner Ferris asked how many affordable housing units have actually been produced under the Phase 1 program. Hannah Bahnmilller said staff will look into that and return to discuss it.

Noting the potential for preserved units coming online, Commissioner Lu asked if the numbers are dozens or hundreds. Linda Abe said last year one acquisition occurred in 2023 that involved 63 units. There are currently two potential acquisitions of about a hundred units each. A hundred to two hundred units per year would be a reasonable expectation.

Commissioner Lu asked what the average per-unit cost for ongoing operations is for units in the 50 to 80 percent of area median income category. Linda Abe said at one time it was about \$7000 per unit, but it is likely is higher now. Sabrina Velarde said the Housing Stability Program provides capital funding as well as funding for operations, maintenance and on-site services. The allocation provided to the most recent project was \$13,112 per unit.

Commissioner Lu asked what additional city resources are required to support permanent supportive housing, such as police and fire. Linda Abe said answering that question would require some research.

Commissioner Cálad commented that the top goal of the 2017 program was to keep people housed, something that goes beyond just providing a roof and includes other forms of support, like mental health counseling and other health services. It would be good to know how all of those other needs are integrated. Sabrina Velarde said the Housing Stability Program is broken down into three separate pots – Forty percent of the dollars are earmarked for capital and

operating/maintenance and on-site services. Another 40 percent is set aside potentially for bonding, and 15 percent of the tax collection goes to the human services team for direct allocation to service providers. The operations/maintenance/on-site services funds go in part to things like on-site case management, which helps connect people with service providers.

Commissioner Bhargava asked what success will look like when it comes to achieving the next target numbers for the individual housing affordability categories. Linda Abe said more housing in general needs to happen. The city will want to focus its funding toward subsidizing the lower income brackets. It will take a number of approaches and partnerships to achieve that. Hannah Bahnmitter allowed that the Council will determine the program parameters, but success will likely involve meeting the needs for each category.

BREAK
(7:58 p.m.)

B. Sustainable District Opportunity Assessment Update
(8:05 p.m.)

Sustainability Program Manager Justus Stewart said the Environmental Stewardship Plan was adopted in 2020, and the current emphasis is on implementing the plan. Action M.I.1 in the plan calls for exploring the creation of a sustainable district. Downtown, BelRed and Wilburton are all specifically called out as possible districts, and for the current work Wilburton was chosen. Part of the exploration of the sustainable district concept is to ask how a designated sustainable district within Bellevue might support the achievement of citywide sustainability goals.

With the launch of the Wilburton Vision Implementation work in 2022, the city selected Wilburton as the neighborhood within which to explore the idea of creating a sustainable district. The area is a good candidate given the significant investments that have been made in East Link light rail, the East Link regional trail, the Grand Connection, the Lincoln Center site, and the Bellevue Botanical Garden. The sustainability team has been working closely with the team working on the Wilburton Comprehensive Plan amendment, now adopted by the Council. The environmental section of the Wilburton Comprehensive Plan amendment includes policy S-WI-42, which calls for supporting the development of an environmentally resilient neighborhood through a sustainable district framework, code updates and public-private partnerships. There are also additional policies that speak directly to various aspects of sustainability.

The Sustainable District Opportunity Assessment was launched in the fall of 2023. The current work does not involve a sustainable district plan, only an assessment of the opportunities. An implementation plan for a sustainable district will be a future work. The defining elements of the Sustainable District Opportunity Assessment include a defined geographic boundary; high performance standards; a unique visual identity and experience; keystone projects and places; and district-scale certification. A number of relevant precedents were identified, both international and local, covering different scales and having different emphases.

The sustainable district priorities include leadership and innovation; supporting the community vision of great urbanism; substantial progress through the actions taken within the district on citywide sustainability goals and targets; leveraging the compound value of the local and regional investments made to date; and through the work in the district being able to tell a story of positive change.

The priorities were developed through stakeholder workshops involving institutional partners,

property and business owners, neighborhood residents, and diverse subject matter experts. The stakeholders also identified a number of key opportunities within the Wilburton TOD area, including district energy utilizing sewer heat recovery; shared infrastructure; green building; and tree canopy that supports district identity.

With regard to the district energy system concept, Justus Stewart said King County's waste water treatment division is looking for partners to pilot sewer heat recovery. They have already begun work on a system in South Lake Union. There is a large sewer main that essentially runs under Eastrail through the Wilburton TOD area. The main contains a lot of heat, which presents the opportunity to tap that heat to heat and cool buildings. The exploratory phase is already under way, led by a Wilburton property owner. This form of energy is renewable, zero carbon, and has other community-wide benefits.

There have also been conversations with staff in the Utilities Department focused on green stormwater infrastructure. The concept of a stormwater or wetland park is of interest and opportunities for implementation are being sought. There are areas that have a high water table in the Wilburton area where Sturdevant Creeks runs, including close to I-405 and to the south near Main Street. There are challenges in regard to feasibility and cost in a building-by-building approach and the opportunity exists around the possibility of creating shared aggregate systems that will yield additional community benefit.

In terms of green building opportunities, all-electric buildings have been investigated, and there are a number of advances in low-carbon building materials and building systems. In talking about green building, it is common to focus on energy given that it is a significant component of greenhouse gases emissions and environmental impact, but green building involves more than just energy use; it includes things like the health of the occupants, indoor air quality, and water use.

Justus Stewart said there have been conversations with staff in the city's parks, utilities and transportation departments around the nexus between achieving the city's tree canopy goals and opportunities to support a district identity based on lots of highly visible green space in a dense urban neighborhood.

Mobility is one of the main elements of a sustainable district. The idea is to tap into the existing TOD elements while also considering micromobility, last-mile solutions, walkability and bikeability. Water and habitat are also elements, including stormwater infrastructure, potentially daylighting sections of Sturdevant Creek, and addressing the existing wetlands near 116th Avenue NE and Main Street. The district energy system is one part of the energy element; smart building is another part of the energy element. The main focus of the resource element is on reducing embodied carbon. Finally, the livability element has to do with the quality of the built environment and quality of life, including access to green space.

In terms of how the timing of the Sustainable District Opportunity Assessment fits into other ongoing city planning efforts, the Wilburton Comprehensive Plan amendment has been adopted by the Council. The current projected adoption date for the Wilburton Land Use Code amendment is December. Additional stakeholder workshops are planned for the coming month. The outcome of the sustainable district assessment will determine whether or not development of an implementation plan should move forward. Conversations with staff from the Department of Development Services and the Strategic Planning team began in the fall of 2023 with a focus on how sustainable district concepts might be woven into the urban design guidelines and the Land Use Code amendment for Wilburton. Research has also been done on third-party sustainability

frameworks, and work is underway on a proposal for Wilburton-specific green building incentives. Some of the third-party frameworks are no longer in use or have seen their focus shift, and were removed from consideration.

The framework that jumped out as being the most relevant is LEED for Communities, though it remains under evaluation and no decisions have yet been made. LEED for Communities has a strong alignment with the district's goals and priorities. Staff is confident that the district could be certified, though exactly which certification level might be achievable remains an unknown. Based on things the city already does, along with certain city and state requirements, staff expects that the city could achieve at least a silver certification level.

LEED for Neighborhood Development, an older LEED system that is currently being phased out and replaced with the LEED for Cities and Communities system, contained a requirement that the buildings in the district also had to be LEED certified. LEED for Communities does not contain that requirement. Even so, it is unlikely that Wilburton could achieve a LEED for Communities certification without having high-performing buildings within the district.

Justus Stewart said the next steps include sustainable district implementation planning, keystone project planning and support, and ongoing stakeholder engagement.

Commissioner Ferris asked if the team has looked at the funding structure for the individual projects and cities studied. Commissioner Ferris also asked if unique visual identity and experiences beyond just landscaping have been considered, what the city's tree canopy currently is, if having access to the internet throughout the district is part of the vision, and if Phase 2, the implementation plan work, will be coming before the Commission. Justus Stewart said information regarding funding is not available for every place looked at, but the mechanisms used for the Northwest examples were reviewed. The cultural and economic development team has experience in the area and they are weighing in on ways to represent information that is often hidden or invisible around sustainability actions and goals. There are also certain social cues people use, such as locating waste receptacles strategically so that people have to think about the waste stream when interacting with it, and other ways of incentivizing social behaviors.

Sustainability Program Manager Jennifer Ewing said the tree canopy numbers are available for the larger Wilburton neighborhood but not specifically for the study area, though it is known to be relatively low. A tree canopy goal specific to the neighborhood has not been set. For mixed use, higher-density areas, a reasonable tree canopy goal is around 20 percent. It would be very difficult to get to 40 percent given the density being considered.

Justus Stewart said the city has an ongoing partnership with T-Mobile in regard to their Smart Cities initiative. Staff in the IT department have a real interest in the concept of having everything wired together to facilitate information exchange and monitoring of things like air and water quality. With regard to Phase 2 coming back to the Commission, it is too early to say for sure. There is nothing within the Phase 2 work, however, that would be necessary to bring back to the Commission.

Janet Shull concurred, adding that down the road more will be known about the elements of Phase 2. Commissioner Ferris said if nothing else the Commission should be kept informed.

Commissioner Lu pointed out that a number of the improvements highlighted will place additional burden on the electrical system. Commissioner Lu also asked about the possibility of reducing or stopping the use of natural gas, and about the cost of achieving certification in terms

of individual buildings compared to the area as a whole, and commented on the huge number of recent startups regionally that are focused on sustainable building technologies. Justus Stewart noted that Bellevue does not control the electrical grid. The city is in conversation with Puget Sound Energy in regard to the limitations of the current grid. Puget Sound Energy is well informed about the notion of developing all electric buildings and the city's goal of converting its entire fleet to electric vehicles, all of which will, along with population growth, increase electrical demand. There are smart city strategies that can be helpful in regard to load management and reducing peak loads. PSE missing its State-mandated deadline to provide carbon-neutral electricity (i.e. having no natural gas in its electricity mix) is unlikely to inhibit the city's goals to achieve the plan, though it would change the current landscape. Certifying a district is significantly less expensive compared to certifying individual building projects. The city is in active conversation with the economic development team about partnering with and/or locating businesses that are focused on new high-performance building technologies and materials in Wilburton.

Commissioner Bhargava noted having received a LEED accreditation 20 years ago at a time when the LEED system did not exist, and now it is sunsetting. With regard to district heating and cooling, Commissioner Bhargava commented that such systems typically require large scales. Justus Stewart said that is part of the current assessment work. Systems can be scaled to size, but there is a size below which is no longer makes sense. A property owner has been leading the effort to evaluate the feasibility of a project that by itself could justify a district energy system, but it would be on the smaller side. Both the property owner and the city are interested in seeing a larger system built out. Part of the conversation is how to work with other property owners, especially given that projects come in unpredictable phases, and how to support getting a system built that can expand to new buildings as they come online but without having to rely on new development to get it built. One option is to look at city-owned properties.

Commissioner Bhargava commented that if it works, the district energy concept could be the needed keystone project. Storm water management matched to the area's climate could be a keystone project. Commissioner Bhargava voiced being unclear about the unit of measurement being used to measure sustainable districts in terms of their actual contributions toward achieving their outcomes.

A motion to extend the meeting to 9:30 p.m. was made by Commissioner Ferris. The motion was seconded by Commissioner Lu and the motion carried unanimously.

Commissioner Khanloo stressed the need to come up with a plan for how to lessen the burden on property owners while encouraging them to participate in the district energy concept. The green building idea is good, but consideration should be given to making the buildings attractive, not just efficient.

Commissioner Cálad agreed with Commissioner Ferris around the need for the Commission to be kept informed in regard to Phase 2 and the metrics for measuring progress.

Chair Goepple concurred with the notion of keeping the Commission in the loop relative to Phase 2. There will also be a need to conduct a cost-benefit analysis relative to the standards to be applied. The focus should be on the things that make the most sense given current conditions and the characteristics of the neighborhood. Chair Goepple expressed an interest in seeing results more than a branded framework. Justus Stewart noted for the record that cost-benefit is part of the analysis that is currently underway. There is a clear need to know the tradeoffs in setting incentives. With regard to a LEED framework versus outcomes, it is fair to say the city

will not pursue something like a LEED framework simply because people are familiar with it and it is easier to accomplish. The city would choose to pursue something like a third-party framework only if it actually achieves the desired outcomes.

Jennifer Ewing added that part of the reason for looking at something like LEED for Communities is that the framework is all about the metrics based on national and international standards for sustainable communities.

Chair Goepple urged keeping Lake Bellevue on the radar screen. It would be good to see the concept of sustainability include the Lake Bellevue area in terms of stormwater and green space. Justus Stewart allowed that there are certain challenges associated with Lake Bellevue, including ownership. The area is certainly part of the larger environmental context of the work.

Commissioner Khanloo suggested engaging in some benchmarking of ideas from national and international cities. With regard to the district energy concept, the idea should be implemented citywide. Additionally, existing trees in Wilburton should not be removed in support of new development. Development should be planned around them.

Commissioner Bhargava noted that comments were made by the public in regard to green building, and those comments should be kept in mind. The State's building code already incorporates very high standards. It would be useful to undertake a calibration exercise to see what the State's standards look like in terms of development cost, contribution toward the sustainability scores, and in terms of building performance compared against places that are pushing for building certifications. The city should shy away from moving toward green infrastructure that drives up costs for little marginal benefit. When it comes to implementation, there should be clarity around who is responsible for what. Going after a LEED certification could actually help raise rents and property values given the associated branding. There is nothing arbitrary about such developments: the standards must be met in order to get the points.

9. OTHER BUSINESS – None
(9:06 p.m.)

10. APPROVAL OF MINUTES
(9:06 p.m.)

A. June 26, 2024

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

11. EXECUTIVE SESSION – None
(9:07 p.m.)

12. ADJOURNMENT
(9:07 p.m.)

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

Chair Goepple adjourned the meeting at 9:07 p.m.