

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

February 24, 2026
6:00 p.m.

Council Chambers
Bellevue, Washington

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

ABSENT: None.

1. Call to Order

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

2. Roll Call; Flag Salute

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

(a) Human Rights in Iran and Everywhere Proclamation

Councilmember Sumadiwiryra read the proclamation declaring Bellevue's support for Human Rights in Iran and Everywhere and condemning the use of violence to suppress the ability to peacefully demonstrate for human rights.

Negin Khanloo thanked the Council for the proclamation. As an immigrant, she said she is a proud American and resident of Bellevue, grateful for the liberty and opportunities in this country. Arash Nisibi described the Iranian diaspora across the world that shares values and objectives with the western world. Ms. Khanloo commented regarding recent protests and deaths of protesters in Iran.

3. Approval of Agenda

→ Councilmember Robinson moved to approve the agenda, and Deputy Mayor Hamilton 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. 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) Lex Wieneke thanked the Council for its efforts to expand housing production through the Housing Opportunities in Mixed-Use Areas (HOMA) initiative. He expressed support for incentives to include grocery stores and the use of the multifamily tax exemption (MFTE) supercharger mechanism.
- (b) Allen Dauterman, an affordable housing developer and co-chair of the Eastside Affordable Housing Coalition, expressed support for the Planning Commission's recommendation regarding HOMA policies. He suggested applying the MFTE supercharger only in the Wilburton area and said it is not needed in HOMA areas.
- (c) Carl Vander Hoek, speaking on behalf of a group of property owners of eight parcels in Old Bellevue, expressed support for the HOMA program, with the condition that Old Bellevue be removed from HOMA regulations. He encouraged an Old Bellevue-specific review of design requirements and efforts to create affordable housing.
- (d) Robert Tam asked the Council to support funding for the Orchard Gardens affordable home ownership program by Habitat for Humanity. He commented on his work with the Union Gospel Mission in Seattle and said he will soon be able to purchase a home through the Habitat for Humanity program.
- (e) Mark Villwock, a member of the Master Builders Association, expressed support for the HOMA recommendations. He requested clarification regarding the basis for a departure from the pedestrian-oriented requirements in mixed-use zones. He suggested not requiring pedestrian-oriented areas if there is only one-way traffic and/or no through connection on a site. He noted he submitted written comments as well.
- (f) Troy Drawz, Vice President of Real Estate Development, Imagine Housing, requested the Council's support of funding for the Forest Edge apartment complex that will provide 100 new affordable housing units in partnership with St. Andrew's Lutheran Church.
- (g) Hal Ferris, representing St. Andrew's Lutheran Church, expressed support for funding for the Forest Edge apartments. He thanked Councilmembers, City staff, Imagine Housing and members of the community for their efforts to produce affordable housing over the past several years.

- (h) Suzanne Baugh and Dan Nygaard, representing the Newport Community Coalition, expressed support of the HOMA regulations. Mr. Nygaard noted the group's interest in the redevelopment of the Newport Hills Shopping Center with housing, retail, restaurants, gathering places and open space.
- (i) Layla Khademi, a land use attorney with Hillis Clark Martin and Peterson, commented regarding the Woodlands at Bellevue site (former Boeing Eastgate campus) and the opportunity for a robust mixed-use development with diverse housing types. She encouraged the Council to adopt a more deliberate and pragmatic approach for sites subject to mandatory affordable housing that includes a blended apartment-townhome model. She expressed support for the MFTE supercharger option.
- (j) Al Dietemann, a Vasa Park resident, expressed concern regarding increased traffic volumes and vehicle speeds in the area. He noted the lack of a shoulder or sidewalks on key arterials and expressed concern regarding pedestrian safety.
- (k) Colleen Dunseath said she began working part-time in the Parks and Community Services Department 12 years ago. She said several Parks grounds employees over the past three years have been hired full-time. However, similar employees in the natural resources division have not been given full-time positions despite the increasing workload. She expressed concern about the need for more staffing and resources.
- (l) Ted Mittelstaedt, a recently retired employee, expressed his gratitude for the Council's support of the Parks and Community Services Department over his 40 years with the City. He said he was able to have a meaningful career where he was able to feel that he made a difference. He thanked his fellow employees for their leadership and hard work for the Bellevue community.

5. Reports of Community Councils, Boards, and Commissions

- (a) Parks and Community Services Board September-December 2025 Report and Communication *[Written information only. No presentation.]*

6. Report of the City Manager: None.

7. Council Business and New Initiatives: None.

8. Consent Calendar

→ Deputy Mayor Hamilton moved to approve the Consent Calendar, and Councilmember Robinson 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 February 3, 2026 Regular Meeting**Minutes of February 10, 2026 Regular Meeting*

- (b) Motion to approve payment of claims and payroll for the period January 01, 2026 - January 31, 2026.
- (c) Motion to award Bid No. 25085 for the Water Main Replacement 2026 Phase 1 project to D&G Backhoe Inc., as the lowest responsible and responsive bidder, in an amount not to exceed \$3,259,417.60, plus all applicable taxes (CIP Plan No. W-16).
- (d) Motion to award Bid No. 25025, for the 2 Enatai Dr Lakeline Access Project, to Stellar J, as the lowest responsive and responsible bidder, in an amount not to exceed \$553,485, plus all applicable taxes (CIP Plan No. S-32).
- (e) Resolution No. 10586 authorizing execution of all documents necessary to release an existing Slope Easement and a Temporary Construction Easement on private property located at 200 112th Ave NE.
- (f) Resolution No. 10587 initiating vacation of a dead-end portion of NE 55th Street located on the east side of the Bellevue Golf Course; and setting a time and place for a public hearing to consider such a vacation.
- (g) Resolution No. 10588 authorizing the Finance & Asset Management Director or designee to approve annual purchase orders for various vendors for small goods and routine services used by city departments, for amounts not to exceed the estimated values for the specified vendors set forth in Attachment A, plus applicable taxes.
- (h) Resolution No. 10589 authorizing execution of a nine-month extension of the existing Olympic Pipe Line Franchise Agreement between the City of Bellevue and the Olympic Pipe Line Company, LLC.

9. Public Hearing

- (a) Public Hearing and Action on Ordinance No. 6904 authorizing the release of a portion of an existing utility easement, and amending Ordinance No. 740 to release the utility easement located at 200 112th Ave NE, which has been declared surplus to the City's needs and no longer required for providing continued public utility service; the release of this easement being deemed in the best interest of the public.

City Manager Diane Carlson introduced the public hearing regarding the release of a portion of an existing utility easement at 200 112th Avenue NE.

Loren Matlick, Real Property Division Manager, recalled that the Council declared the easement as surplus during its January 13 meeting. He said the property owner is redeveloping the site into a multifamily apartment community with up to 325 units and potentially more than nine stories tall. The easement was reserved as part of a street vacation in 1965 through Ordinance No. 740 and utilities were never installed within the easement.

- Deputy Mayor Hamilton moved to open the public hearing, and Councilmember Robinson seconded the motion.
- The motion carried by a vote of 7-0.

No one came forward to comment.

- Deputy Mayor Hamilton moved to close the public hearing, and Councilmember Robinson seconded the motion.
- The motion carried by a vote of 7-0.
- Deputy Mayor Hamilton moved to adopt Ordinance No. 6904, and Councilmember Nieuwenhuis seconded the motion.
- The motion carried by a vote of 7-0.

10. Study Session Items

- (a) Fall 2025 Housing Trust Fund Allocation Recommendations by A Regional Coalition for Housing (ARCH).

City Manager Carlson introduced discussion regarding the ARCH Executive Board's funding allocation recommendations for the 2025 Housing Trust Fund awards.

Nathan McCommon, Deputy City Manager and Chair of the ARCH Executive Board, recalled that Bellevue was one of the founding cities of ARCH in 1992. He said the Board's funding recommendations were vetted by the ARCH Community Advisory Board and approved by the Executive Board.

Lindsay Masters, ARCH Executive Manager, said ARCH's mission is to preserve and increase housing for low- and moderate-income households in East King County. The ARCH interlocal agreement outlines key responsibilities related to policy, planning, technical assistance, funding and project implementation, and public-private coordination. Ms. Masters said ARCH is piloting a Council of Elected Officials this year to increase participation by elected officials and Councilmember Bhargava will serve on that committee.

Ms. Masters said member cities contribute to the ARCH Housing Trust Fund and more than \$120 million have been invested in King County to provide more than 6,000 housing units through 110 projects since 1992. ARCH project funding sources include the low income housing

tax credit, tax-exempt bonds, member cities, King County, State of Washington Housing Trust Fund and other entities (e.g., private sources, federal government funding). ARCH was able to secure \$35 million for awards in East King County, including \$15 million for Bellevue projects. Bellevue's 2025 funding contribution was \$1.3 million. Ms. Masters said ARCH's priorities include the timely delivery of housing, maximizing unit creation and leveraging private investment, and other objectives related to target populations, geographic equity, housing preservation, transit-oriented development, racial equity, shelters and supportive housing, and environmentally sustainable solutions.

Patrick Tippy, ARCH Planning and Investments Manager, said the funding recommendations provide seven projects across five cities (Bellevue, Bothell, Issaquah, Kirkland and Redmond). The Bothell Urban project by BRIDGE Housing Corporation will provide 200 units at the 30-percent, 50-percent and 60-percent AMI (area median income) levels. More than half of the units will have two or three bedrooms for families.

The Altaire at East Main project in Bellevue will provide 146 units including for households earning 30-60 percent AMI. A number of units will be targeted for households exiting homelessness with services provided by Hopelink. The St. Andrew's Lutheran Church Forest Edge apartments will provide 100 units at the 60-percent AMI level and a number of units will be designated for households with disabled individuals. Orchard Gardens in Bellevue will provide 25 three-bedroom homeownership units for families earning up to 80-percent AMI.

The Kirkland House project is a home with six bedrooms for working men exiting homelessness from the PorchLight shelter. Family Village Redmond will provide 20 units serving households earning 30-percent AMI and preserves existing housing for families exiting homelessness. The LEO Trailhead project in Issaquah provides seven studio units to serve individuals with intellectual and developmental disabilities.

Mr. Tippy said the funding recommendations total \$4,630,800. He said significantly more two-bedroom and three-bedroom units were proposed this year compared to previous years. The recommended awards will preserve or create 505 homes.

Mr. Tippy asked the Council to direct staff to return with legislation approving the funding allocations for the Fall 2025 ARCH Housing Trust Fund project awards.

Mayor Malakoutian thanked staff for the presentation.

Councilmember Bhargava commended ARCH's accomplishments and noted ARCH's critical role in providing housing stability. He expressed support for the project funding allocations.

Councilmember Briar thanked everyone for their work and for the emphasis on helping people achieve stable housing and active participation in their communities.

Councilmember Nieuwenhuis expressed support for the range of projects and holistic view toward housing. Responding to Mr. Nieuwenhuis, Mr. Tippy confirmed that the projects reflect

an increase in larger, family-sized units. Mr. Tippy said much of market-rate housing has focused on studios and one-bedroom units.

Councilmember Robinson commented on the many partners who have worked for years to bring this housing to the area and thanked everyone for their contributions. She expressed support for the funding recommendations. She encouraged reaching out to workers in Bellevue to educate them about new housing opportunities. Ms. Masters said ARCH offers marketing support for projects.

Councilmember Sumadiwiryia said she was happy to see the geographic distribution of projects and housing for a range of AMI levels, including 50-percent AMI and below.

Deputy Mayor Hamilton thanked Mr. McCommon for his leadership on the ARCH Executive Board and thanked everyone for their hard work. Mr. Hamilton said he was pleased to see the larger units for families and units designated for disabled individuals. He expressed support for the funding recommendations.

Responding to Mayor Malakoutian, Mr. Tippy commented on the current market dynamics, interest rates and other factors that affect the development of housing.

- Deputy Mayor Hamilton moved to direct staff to prepare legislation to approve Bellevue funding of \$1,301,200 for the Fall 2025 ARCH Housing Trust Fund as recommended by the ARCH Executive Board. Councilmember Nieuwenhuis seconded the motion.
- The motion carried by a vote of 7-0.

(b) Housing Stability Program and Affordable Housing Fund – 2025 Funding Award Recommendations

City Manager Carlson introduced discussion regarding the Housing Stability Program and the Affordable Housing Fund.

Sabrina Velarde, Housing Stability Program Coordinator, said staff is seeking direction to return with legislation approving the funding allocations for the Fall 2025 Housing Stability Program and Affordable Housing Fund award recommendations. The Housing Stability Program provides \$22.5 million in capital funding grants and \$637,852 for operations, maintenance and services grants with taxes generated through House Bill 1590. The Affordable Housing Fund provides \$11.3 million in capital funding.

Ms. Velarde recalled that the Council approved the Housing Stability Program framework in July 2022 including the process, funding allocations, priorities and evaluation criteria. Up to 40 percent of the funding is to be used for bonding for affordable housing partnership projects and land acquisition, approximately 40 percent is dedicated to capital projects and operations, maintenance and services, approximately 15 percent is directed toward behavioral health and housing related services and approximately 5 percent is allocated to staff support.

Ms. Velarde said the presentation would focus on funding allocations for capital grants and operations, maintenance and services grants. The money collected through HB 1590 can be used for acquisition, construction, operations, maintenance and services for new units of affordable housing serving eligible populations as defined in state law. Eligible populations are households earning 60-percent AMI or below that include veterans, senior citizens, persons with disabilities, domestic violence survivors and persons who are unhoused or at risk of homelessness.

The Housing Stability Program has invested \$31.1 million in capital projects and operations, maintenance and services programs. Since 2022, 472 housing units have been created, including 107 Housing Stability Program units with supportive services.

Mr. Tippy said ARCH staff and the City's housing staff work together to ensure coordinated investments. He said the City and ARCH release their housing program request for proposals (RFP) at the same time to simplify the process and better serve the applicants. He said they also coordinate with the City's human services staff.

Ms. Velarde noted funding requests totaling \$34 million for the \$20 million available in the Housing Stability Program and \$19.9 million in requests for \$10 million in the Affordable Housing Fund.

Mr. Tippy described the four projects recommended for funding: 1) Bellevue TOD (transit-oriented development) by Bellwether Housing, 2) Orchard Gardens home ownership program by Habitat for Humanity, 3) Altaire at East Main by Hopelink and SRM, and 4) Forest Edge apartments by Imagine Housing for people with disabilities. The Bellevue TOD project will be developed on City-owned land to be leased to Bellwether Housing. This project is in the pre-development phase and will provide 127 housing units, including 13 Housing Stability Program units. In addition, the other three projects will provide 271 units, including 62 Housing Stability Program units. The recommendations reflect an investment of \$39 million from ARCH and the City of Bellevue for a total of 505 units, including 271 in Bellevue.

Mayor Malakoutian thanked everyone for their work. He said he was pleased to see the significant amount of money to be invested and the variety of housing types, including rental and ownership housing. He thanked current and former Councilmembers for their support of housing initiatives and funding.

Councilmember Robinson commended staff for their expertise in the complex and challenging environment of housing policy and implementation. She thanked everyone for supporting the small tax increase under HB 1590 to incentivize and enable the development of housing and related services.

Councilmember Nieuwenhuis concurred regarding the decision to utilize HB 1590 funds and said he is ready to move forward.

Councilmember Sumadiwiryana thanked staff for their work and said she is honored to be a part of this Council to move this forward.

Councilmember Bhargava said he is proud of the City's commitment to the development of housing. He said he would like to see the Bellevue TOD project move forward as quickly as possible, especially given that it will be located on City-owned property. Mr. Tippy said the recommended funding of \$2 million will help the developer and partners accelerate their design and feasibility work.

Bianca Siegl, Director, Office of Housing, said housing staff will work with Development Services Department staff to move projects expeditiously through the approval process. Ms. Masters said the City of Bellevue has been a leader among cities in implementing permitting streamlining and housing incentives.

Councilmember Briar thanked everyone for their work and expressed support for moving forward.

Deputy Mayor Hamilton acknowledged the Council's foresight in 2020 when they decided the City needed to find a way to help fund efforts to increase the supply of affordable housing. He expressed support for the funding recommendations. He thanked the city manager and staff for being thoughtful and strategic to reach housing goals.

→ Deputy Mayor Hamilton moved to direct staff to return with legislation on a future consent calendar approving the funding allocations for the Fall 2025 Housing Stability Program and Affordable Housing Fund award recommendations. Councilmember Briar seconded the motion.

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

Mayor Malakoutian suggested an online housing dashboard to provide information for the public.

At 8:01 p.m., Mayor Malakoutian declared a short break. The meeting resumed at 8:15 p.m.

- (c) Recommended Land Use Code Amendment (LUCA) to expand housing opportunities in mixed-use areas (HOMA) as part of the City's "Next Right Work" housing initiative.

City Manager Carlson introduced discussion regarding the recommended Land Use Code Amendment (LUCA) to implement the Housing Opportunities in Mixed-Use Areas (HOMA) program. She thanked the Planning Commission and staff for their work.

Nick Whipple, Code and Policy Director, Development Services Department, said the HOMA LUCA amends key zoning standards currently inhibiting housing development, creates a straightforward and consistent affordable housing program, and updates standards in the Land Use Code to be consistent with the Comprehensive Plan. HOMA regulations apply to all mixed-use zones other than the Wilburton, BelRed and East Main areas.

Mr. Whipple said the LUCA process was initiated in December 2022. Since that time, staff met with members of the development community and six public information sessions were held as well as multiple City and neighborhood events. Staff engaged in an iterative code writing process beginning in March 2025 and incorporated public feedback, resulting in the seventh draft of the LUCA.

Mathieu Menard, Senior Planner, described the changes in dimensional standards reflected in the LUCA including increases for floor-area ratio (FAR), building height, and impervious and hard surface limits. The regulations remove requirements regarding setbacks in mixed-use areas, multifamily development play areas and lot coverage limits.

Affordable housing standards were reorganized into LUC 20.15, and FAR and building height increases are provided where affordable housing is required. Fee-in-lieu and land transfer options are available as well. Mr. Menard said the Planning Commission recommended the adoption of a mandatory housing program consistent with the standards adopted for the Wilburton area.

Mr. Menard outlined the percentages of affordable housing required at different household income levels: 1) Rental units – 10 percent of units at 80 percent AMI, 7 percent of units at 60 percent AMI and 5 percent of units at 50 percent AMI, and 2) Ownership units – 10 percent of units at 100 percent AMI or 7 percent at 80 percent AMI. These standards do not apply in the downtown.

Robin Xiao, Affordable Housing Development Program Manager, Office of Housing, said staff does not recommend any new changes to the multifamily tax exemption (MFTE) program as part of the HOMA regulations. However, the newly adopted eight-year MFTE program will be available outside of the Wilburton area. That program requires 8.5 percent of units at 60 percent AMI and 7 percent of units at 50 percent AMI.

Mr. Xiao commented on staff's comparison of MFTE and HOMA provisions and requirements. The Wilburton MFTE approach focuses on dense TOD development in a specific neighborhood while HOMA regulations are targeted to encourage appropriately scaled residential development across Bellevue. There are limited opportunities to incentivize high-rise development under HOMA compared to the Wilburton code, and HOMA has limited infrastructure requirements related to access and open space. Mr. Xiao noted that the Wilburton supercharger mechanism is not included in HOMA regulations.

Mr. Menard described changes under HOMA regulations affecting development in the downtown. The HOMA LUCA proposes adding affordable housing to the amenity incentive program and increases the affordable housing FAR bonus. Developments may use the same square footage for the FAR bonus and amenity incentive points. Mr. Menard noted flexibility in the perimeter overlay area in exchange for affordable housing.

The HOMA LUCA reduces the outdoor plaza requirement by three percent, updates the green building assurance device, allows compact parking without a departure option, removes side and rear landscape buffer requirements and maintains the "wedding cake" development pattern in the

downtown (i.e., taller buildings in the center and shorter buildings/less intense development toward the perimeter).

Mr. Whipple recalled that an Interim Official Control (IOC) was adopted on February 10 for the area of Main Street in Old Bellevue between 100th Avenue and Bellevue Way. He said the HOMA regulations will bring increased flexibility to the perimeter overlay district when affordable housing is provided, and Old Bellevue is within the perimeter overlay district. The HOMA regulations provide the ability to reduce or eliminate the upper level stepback, allow larger floorplates, and allow a five percent lot coverage increase.

Mr. Whipple said the Old Bellevue IOC does not conflict with HOMA regulations. Upon the expiration of the IOC, the development regulations will revert to the underlying code at that time.

Mr. Menard presented a map depicting the Community Mixed-Use Design District for all mixed-use areas except the downtown and parts of Eastgate and Factoria. The district incorporates transition area standards and design requirements from the previous Community Retail Design District and Transition Area overlays. The regulations address the landscaped setback and daylight plane standard, require pedestrian-oriented uses adjacent to a plaza or sidewalk and require entrances on sidewalks with transparency and weather protection.

Mr. Menard said FAR exemptions are proposed for affordable housing, child care facilities, grocery stores, non-profit businesses, affordable commercial space and open space. Under HOMA, mixed-use areas inconsistent with the Future Land Use Map in the Comprehensive Plan will be rezoned to two new districts: MU8 (Kelsey Creek and Lake Hills shopping centers) and MU16 (Crossroads mall area). An additional rezone is proposed in the downtown on Bellevue Way between NE 4th Street and NE 8th Street. Mr. Menard said a proposed rezone not yet depicted on the map is a corner southwest of Crossroads mall at 156th Avenue to be rezoned to Neighborhood-Mixed Use.

Mr. Menard recalled that the Council, through the Wilburton planning process, directed staff to consolidate non-conforming provisions into LUC 20.20.561 for citywide consistency, a higher threshold for triggering improvements and to ensure that phases of development under a Master Development Plan (MDP) are not inadvertently or prematurely treated as non-conforming.

Negin Khanloo, Planning Commission Chair, said the commission discussed the HOMA LUCA over a series of five study sessions and held a public hearing on December 10, 2025. Following the public hearing, 41 stakeholder and commission requests were evaluated and 19 requested changes were incorporated into the final draft for the Planning Commission's review. The remaining requests will be addressed through the Downtown Livability 2.0 update process. The commission unanimously recommended minor changes to downtown office floor plates, the grocery store exemption and the MU8 district.

Mr. Menard said the City received requests from the development community with projects in the permitting pipeline to allow them to opt in or out of the HOMA regulations. He said this

would not be included in the Land Use Code but could be implemented through the Council's ordinance process. Mr. Menard said staff recommends adding the option.

Mr. Menard said staff is seeking Council direction to finalize the LUCA for action at a future meeting.

Mayor Malakoutian thanked the Planning Commission and staff for the presentation and all of their work. He said the outreach throughout the LUCA process was extensive. He said several drafts were published and subject to public input, much of which was incorporated into the final recommended LUCA. He said the purpose of the HOMA regulations is to turn capacity into housing units.

Deputy Mayor Hamilton thanked the Planning Commission, staff and the public for their work and involvement throughout this process. He expressed support for the recommended LUCA without modification and spoke in favor of allowing developers with projects in the permitting pipeline to opt in or out of the HOMA changes.

Councilmember Bhargava commended everyone for their incredible work. He expressed general support for the recommended LUCA. However, he believes there is a need to catalyze housing production now, especially to create affordable housing.

Mr. Bhargava referenced comments during oral communications suggesting the Council remove Old Bellevue from the HOMA regulations. He does not believe that is the right approach. He said HOMA should be applied equitably and consistently across Bellevue.

Councilmember Nieuwenhuis thanked everyone for their work. He said he appreciated the public engagement report included in the meeting packet. Responding to Mr. Nieuwenhuis, Mr. Menard said the concept of affordable commercial space was proposed through the Wilburton LUCA. He said staff is currently working on a Director's rule to set the standards and requirements. Mr. Whipple said the draft Director's rule containing the definition of affordable commercial space was published for public comment and staff is currently reviewing all of the public input.

Mr. Nieuwenhuis asked staff to comment on the issue related to pedestrian-oriented uses that was raised during earlier oral communications. Mr. Menard said there was a request through the Planning Commission process and the LUCA provides two administrative departure paths (i.e., not located on a minor or major arterial or projects with less than 50 percent of the units as townhomes). Mr. Whipple suggested that more clarity can be provided to developers by staff before a formal application is submitted.

Responding to Mr. Nieuwenhuis, Mr. Whipple confirmed that staff will monitor the effectiveness of the new codes and policy changes on development.

Councilmember Robinson thanked the Planning Commission and staff for all of their work. She said the HOMA program will change the feel and character of the community. She recalled the downtown code updates in 2017 that increased building heights but required setbacks to enhance building design and the street experience. Ms. Robinson said she is disappointed to see the

elimination of setback requirements and would like to retain the current setbacks for second and third floors.

Councilmember Robinson said she would like to continue discussion regarding Old Bellevue as part of the Downtown Livability 2.0 update. She expressed support for retaining small businesses, creating affordable retail space and creating smaller retail spaces with incentives. She would like to allow developers with projects in the pipeline to opt in or out of the HOMA regulations. She expressed support for the HOMA LUCA except for the setback issue.

Councilmember Sumadiwiryia thanked the Planning Commission and staff for all of their work. She expressed support for green building and said she looks forward to updating the downtown code. She expressed support for the FAR exemptions for child care facilities and non-profit organizations. Responding to Ms. Sumadiwiryia, Mr. Whipple said he would follow up with her regarding affordable commercial space considerations.

Ms. Sumadiwiryia concurred with Councilmember Robinson's desire to maintain setback requirements for Old Bellevue.

Responding to Councilmember Briar, Mr. Menard said that, outside of downtown, high-rise development is anticipated in the Crossroads area and Factoria mall area. Ms. Briar expressed concern regarding the displacement of small businesses. Mr. Menard said the concept of first right of return for existing businesses was briefly discussed. He said developers were not in favor of a requirement and suggested there are other ways to address displacement, including through financial incentives.

Ms. Briar said she is open to retaining the setback requirement for Main Street in Old Bellevue.

→ Councilmember Robinson moved to continue to require the existing setback requirements along Main Street in Old Bellevue between 100th Avenue and Bellevue Way and to not allow a reduction or movement of that setback. Councilmember Briar seconded the motion.

Deputy Mayor Hamilton said he would not support the motion. He said he prefers to address design guidelines for Old Bellevue as part of the downtown code update.

Responding to Councilmember Bhargava, Mr. Whipple said the current code requires a 15-foot upper level setback between 25 feet and the first floor level of 40 feet. There are limited options in the current code to reduce the setback.

Mayor Malakoutian said Old Bellevue is one of the few areas that is human-scaled with smaller facades and a positive pedestrian experience. He said it is a primary attraction for both visitors and residents.

→ The motion carried by a vote of 5-2, with Deputy Mayor Hamilton and Councilmember Nieuwenhuis dissenting.

- Deputy Mayor Hamilton moved to direct staff to finalize the HOMA LUCA and rezone ordinance for final action at a future meeting. Councilmember Briar seconded the motion.

Responding to Councilmember Robinson, Mr. Whipple confirmed that the final ordinance will include the provision to allow developers with projects in the permitting pipeline to opt in or out of the HOMA regulations.

- 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 9:39 p.m., Mayor Malakoutian declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

/kaw