

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

May 7, 2024
6:00 p.m.

Council Chambers
Bellevue, Washington

PRESENT: Mayor Robinson, Deputy Mayor Malakoutian and Councilmembers Hamilton, Lee, Nieuwenhuis, Stokes and Zahn

ABSENT: None.

1. Call to Order

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

2. Roll Call; Flag Salute

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

(a) Asian American, Native Hawaiian and Pacific Islander Heritage Month Proclamation

Councilmember Lee read the proclamation recognizing May 2024 as Asian American, Native Hawaiian and Pacific Islander Heritage Month in Bellevue. He encouraged everyone to celebrate the rich diversity of this community, to reflect on the challenges they have faced throughout history, and to join in looking forward to a future of safety and optimism.

Mami Shimomura, a fine art painter and curator of the Celebrating Asian American, Native Hawaiian and Pacific Islander art exhibit in City Hall, thanked the Council for the proclamation. She said she came to Bellevue in 1973 and decided to make it her home. She said art brings people of different cultures together and she encouraged everyone to visit the art exhibit through May.

(b) International Firefighters' Day Proclamation

Councilmember Hamilton read the proclamation declaring May 4, 2024 as International Firefighters' Day in Bellevue to remember past firefighters who have lost their lives while

serving their communities. He encouraged everyone to show support and appreciation for the Bellevue Fire Department and its firefighters.

Acting Deputy Chief Mark Anderson, Fire Department, thanked the Council for the proclamation and for their support of the department's public service in Bellevue and other contract cities.

(c) Public Service Recognition Week Proclamation

Deputy Mayor Malakoutian read the proclamation recognizing the week of May 5-11, 2024, as Public Service Recognition Week in Bellevue. He urged all community members to reflect on the contributions of public employees who carry out the missions of our various branches of government.

Diane Carlson, Acting City Manager, thanked the Council for the proclamation and noted that City employees strive to provide excellent public service on a daily basis. She said the significant efforts of public employees help Bellevue to thrive and to continue to grow as a desirable community for residents and businesses. She thanked employees for their professionalism and public service.

3. Approval of Agenda

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

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

4. Oral Communications

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

(a) Tulika Dugar said she works as a crisis navigator and small business services lead with Indian American Community Services (IACS), formerly known as the India Association of Western Washington (IAWW). She highlighted the organization's partnership with City staff at Mini City Hall to provide wrap-around services to the community. She thanked the City for providing the new, larger Mini City Hall at Crossroads Mall.

(b) Melinda Carbon, a member of Trees 4 Livability, said she and her husband live in the Lake Hills neighborhood. She commented regarding the tree canopy Land Use Code Amendment (LUCA) to come before the Council on May 21. She thanked Kristina Gallant, Nick Whipple and their staff for their thoughtful, comprehensive work in drafting the proposed LUCA. She said they have done a good job of listening to the public, engaging stakeholders and researching strategies used in other cities. Ms. Carbon

said the LUCA strikes a good balance between tree protection and allow for all types of development, including added flexibility for high-density developments. She urged Councilmembers to quickly adopt the LUCA before more trees, especially landmark trees, are lost to development and redevelopment. She said the Lake Hills area is one of Bellevue's largest neighborhoods yet it contains only nine percent of the tree canopy as of 2021 due to the loss of 35 acres of tree canopy from 2019 to 2021. Ms. Carbon said tree loss has been accelerating in Lake Hills and nearby neighborhoods since that time due to a luxury home building boom since 2020. She said developers have removed hundreds of trees in Lake Hills over the past few years. She noted the role of trees in providing heat protection in neighborhoods and natural habitats for wildlife.

- (c) Chris Pierce said he appreciated the City's efforts to preserve neighborhood character in Bellevue. He expressed concern regarding regulations applicable to storing inoperable vehicles on residential properties. He said there is no maximum limit on the number of inoperable vehicles that can be stored on a parcel, and he has observed up to 20 cars on an individual property. He asked the Council to address the issue and the impact on neighborhood character.

Mayor Robinson asked Mr. Pierce to email his comments to the City Council at Council@bellevuewa.gov.

- (d) Don Marsh said the Planning Commission unanimously approved updates to the City's tree protection code and the Council will soon have the opportunity to review and approve the proposed regulations. As a member of Trees 4 Livability, 300 Trees and other nonprofit organizations advocating for the preservation of trees, Mr. Marsh said Trees 4 Livability began studying tree protection codes in other cities three years ago. He said a petition has gathered more than 1,700 signatures from Bellevue residents in support of stricter tree protections. He said their proposal balances the needs of citizens, the environment and continued growth in affordable housing. He urged the Council to approve the regulations proposed by Trees 4 Livability. He noted the threats to trees from public infrastructure projects, residential development and redevelopment, and climate change.
- (e) Alex Tsimerman, president of StandUp America, expressed his opposition to the City Council and Bellevue Police Department.
- (f) Galen Helmgren urged the Council to support Trees 4 Livability by approving the proposed tree code LUCA. He said April 2024 was the hottest April on record in the United States and the current regional snowpack is only 65 percent of the annual average. He said the 2021 heat dome over Washington caused 187 deaths statewide, which is the deadliest weather-related disaster in state history.
- (g) Paul Quinn, a Sammamish resident, encouraged Bellevue to increase its recycling and composting efforts. He said two-thirds of garbage sent to the landfill could be recycled or composted. He said Bellevue's diversion rate has been declining since 2021. He said King County is currently offering grants for innovative recycling and composting

projects. Mr. Quinn noted that he provided a handout to the Council regarding a grant opportunity to address recycling and composting.

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

6. Report of the City Manager

(a) 30th Anniversary of Mini City Hall and Grand Opening of New Facility

Acting City Manager Diane Carlson introduced staff's briefing regarding the opening of the new Mini City Hall.

Mike McCormick Huentelman, Assistant Director, Community Development Department, said the Mini City Hall opened 30 years ago and was originally hosted by volunteers. He invited the Council and the public to the grand opening of the expanded facility at Crossroads Mall on Wednesday, May 15.

Ying Carlson, Mini City Hall Community Service Supervisor, said the objective of opening Mini City Hall in 1994 was to bring local government services directly to residents and businesses. Over the past 30 years, Mini City Hall has evolved to be one of the best models for delivering culturally competent, multilingual services to the community. Ms. Carlson said the office provides referrals to community organizations that offer needed services and space for those organizations to hold office hours to assist the community. Services include helping senior adults sign up for Medicare, assisting immigrants with services and language study, helping individuals start a new business, computer and smartphone assistance, and helping to find rental assistance or affordable housing.

Ms. Carlson said the recent Human Services Needs Update recommends cultural navigation programs to connect people to resources and information, which is the mission of the Mini City Hall. The office serves more than 20,000 people annually and handles more than 40,000 requests for human services. Ms. Carlson said services are provided in multiple languages and involve a number of community partners. She said the Mini City Hall will soon become the second passport application agency in Bellevue along with the U.S. Post Office.

Ms. Carlson thanked Councilmembers for their vision and ongoing support for the Mini City Hall and the communities it serves. The new facility includes a reception and self-service area, two partnership rooms for private discussions involving service providers, and a small conference room for workshops and other functions.

7. Council Business and New Initiatives: None.

8. Consent Calendar

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

- The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved:
- (a) Council Minutes
Minutes of April 16, 2024 Regular Meeting
Minutes of April 23, 2024 Regular Meeting
 - (b) Motion to reject all bids for Bid No. 24031 for the 2023 Water Main Replacement project, review and revise the project plans and specifications if needed to ensure clarity of project requirements, and re-bid the project at a later date.
 - (c) Ordinance No. 6787 amending the 2023-2029 General Capital Investment Program (CIP) Plan to increase the budget and appropriation for Mini City Hall Expansion (CIP Plan No. CD-45) by \$450,000 and to decrease the budget for the Major Comprehensive Plan Periodic Update (CIP Plan No. CD-50) by \$450,000.
 - (d) Resolution No. 10384 adopting the City of Bellevue 2025-2030 Transportation Improvement Program (TIP).
9. Public Hearing: None.
10. Study Session Items
- (a) Briefing on King County Wastewater Treatment Division 2025 Sewer Rate and Capacity Charge Proposal and 10-Year Rate Forecast

City Manager Carlson introduced discussion regarding King County's 2025 sewer rate and capacity charge proposal and 10-year rate forecast.

Lucy Liu, Director, Utilities Department, said staff is seeking Council direction to prepare a letter to King County communicating the City's position regarding proposed sewer rates and long-term forecasting. Ms. Liu said the City pays King County for wastewater treatment services and the costs are passed on to Bellevue ratepayers. She noted that the City has a number of programs to assist low-income utility customers.

Ms. Liu said King County updates its rates annually, which are reviewed by the Regional Water Quality Committee (RWQC) and adopted by the King County Council. She noted that Councilmember Lee serves as the RWQC Vice Chair. Staff is seeking direction regarding the proposed 2025 sewer rate, implementation of a long-term forecasting tool and the completion of the Regional Wastewater Services Plan update.

Kamuron Gurol, Director, King County Wastewater Treatment Division, said the underlying goals of the 2025 sewer rate are to increase reliability at the West Point facility, address the most critical asset management needs, reflect increasing regulatory requirements, accommodate growth-related demand, reflect priorities for clean water and climate change, and to propose a 2025 rate and 10-year rate forecast that realistically reflects high priority system investments.

Mr. Gurol presented the adopted 10-year rate forecast and the proposed 10-year rate forecast. In the updated forecast, the 2025 rate increase is 5.75 percent as previously projected. However, annual rate increases in 2026 and beyond are higher ranging from 7 percent to 9.25 percent annually, compared to the previous 5.75 percent to 7 percent annually, over the 10 years. The rate forecast continues the prioritization of the most critical asset management projects, assumes completion of the 2040 combined sewer overflow (CSO) Consent Decree, supports the growing capital program and operations staffing needs, and continues the cash funding approach based on depreciation.

Mr. Gurol presented information regarding the capital improvement plan through 2034 totaling \$10.5 billion and the capital funding forecast through 2034. He noted the need for securing more grants to assist with funding. He said the sewer rate will increase from \$58 in 2025 to \$118 in 2034. Mr. Gurol presented information regarding the capacity charge, which increases from a monthly charge of \$74.23 in 2024 to \$86.09 in 2030. He said King County is conducting a review of the methodology used to set the capacity charge.

Mr. Gurol acknowledged that sewer rates are expected to double over the next 10 years. He said the wastewater treatment system is funded almost entirely by local ratepayers. He said federal financial help is available through loans, not grants. He noted that King County is not prioritized for some funding options because the impacts to low-income ratepayers are obscured by the State's approach to assessing disadvantaged communities. He said King County is working with the National Association of Clean Water Agencies, U.S. Environmental Protection Agency and others to reduce utility costs for low-income households and to create a new federal grant program.

The King County Wastewater Treatment Division developed a long-term capital cost forecast methodology and presented it to the Regional Water Quality Committee (RWQC) in April 2024. Mr. Gurol said the recommendation is a key first step in developing the long-term sewer rate forecast. County staff will update the RWQC in July 2024 and April 2025. In July 2025, King County will present the long-term forecast to the RWQC. The King County Council's budget and fiscal management committee is anticipated to consider the proposed 2025 sewer rate and capacity charge on May 22, 2024, and the King County Council will consider the proposal in June.

Mayor Robinson thanked staff for the presentation.

Councilmember Lee, Vice Chair of the RWQC, thanked Utilities Director Lucy Liu and Ella Williams, Intergovernmental Policy Advisor in the City Manager's Office, for supporting his role on the committee. He thanked Mayor Robinson for placing this topic on the Council's agenda because this is a critical issue and other jurisdictions will be affected as well. He expressed appreciation for Mr. Gurol and his staff and for RWQC Chair Claudia Balducci. He said local governments must be able to provide clear information on how regional choices and costs impact Bellevue ratepayers. He said he believes that the King County Wastewater Treatment Division is on the right track and he looks forward to continuing to engage with staff and the RWQC regarding industry best practices.

Councilmember Lee referenced the Regional Wastewater Services Plan and said he hopes the City and other agencies will be able to guide the work to update the plan and to set priorities for the next generation of wastewater service. He said there are a number of opportunities for partnerships.

Councilmember Hamilton, a member of the Cascade Water Alliance Board, said that long-range planning for water supply and wastewater treatment provides more options for the City and region. He said it is important to share this information reflecting significant rate increases with the public. He expressed support for sending a letter to King County regarding the City's position on proposed sewer rates, long-term forecasting and the completion of the Regional Wastewater Services Plan update.

Mr. Hamilton asked how King County plans to involve contract agencies in reviewing the long-range forecasting methodology and rate forecasting tool under development. Mr. Gurol said his staff is available to talk directly with City staff, and Bellevue is an active participant with the RWQC and the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC).

Councilmember Nieuwenhuis thanked King County staff for working with City staff to develop the long-range plan and forecasting tools. He expressed concern regarding the proposed rate increases and said he does not see how they are sustainable. He asked about the costs that the Wastewater Treatment Division can control.

Mr. Gurol said King County shares his concerns and understands the importance of transparency for the public. He said the Wastewater Treatment Division cannot control regulations or its contract obligations. He said, however, that they continue to advocate for smart and more cost-effective ways to achieve environmental goals reflected in regulations. He said they have more control over asset management. However, continued investments are necessary to properly maintain the system. Mr. Gurol said King County welcomes Bellevue's assistance in pursuing grants. He said the agency earns revenue through its biogas sales and is trying to expand that program. He said they are trying to utilize best practices for contracting in the current challenging contract environment.

Councilmember Nieuwenhuis said he appreciated the information and the County's emphasis on investing in infrastructure. He suggested adding language to the letter to King County encouraging further study of ways to reduce the burden on ratepayers.

Councilmember Stokes said he served on the Cascade Water Alliance Board for approximately 10 years. He said Bellevue has a good water system and has made significant investments in Cascade. He expressed concern regarding wastewater treatment rates compared to water rates. He shares Councilmember Nieuwenhuis's concern regarding the affordability of rates for the average household. Mr. Stokes encouraged more discussion between the Wastewater Treatment Division, contract cities, Cascade and others to address rate increases and explore solutions.

Mr. Gurol said the wastewater system is a regional system with projects in different jurisdictions. He noted recent projects in the Coal Creek and Lake Hills areas and in the Enatai neighborhood, with the latter connecting to Mercer Island.

Councilmember Zahn said she appreciated that the sewer rate will not increase in 2025. She congratulated Mr. Gurol on the \$500 million low-cost loan from the U.S. EPA. She encouraged long-term forecasting well beyond 10 years and potentially up to 40 years. Referring to the capital improvement plan graph (Slide 6 of presentation), Ms. Zahn said she would like to see an enhanced emphasis on resiliency. She suggested that King County explore ways to complete infrastructure projects more quickly to avoid increasing construction costs. She expressed support for adding advocacy for more grants and/or a new grant program to the Council's legislative priorities.

Ms. Zahn noted that she and Mr. Gurol were part of a group that traveled to Denmark, where they learned about heat recovery technologies. She asked whether that is under consideration by King County.

Mr. Gurol noted that King County has a sewer heat recovery pilot program underway and continues to work with other countries that are already using the technology. He said there is also a similar project on the University of British Columbia (UBC) campus in Vancouver, B.C.

Deputy Mayor Malakoutian said he shares his colleagues' concerns regarding the projected increase in sewer rates. Responding to Mr. Malakoutian, Mr. Gurol said the long-range forecasting tool will generate projections beyond 10 years.

Mr. Malakoutian said he was glad that King County is analyzing alternative revenue streams. He encouraged cost savings and incentives for residents.

Mr. Gurol urged the public to be cautious about what they put down their drains to minimize the costs of wastewater treatment. He said residents should not dispose of old medications into the sewer system and should use less chemicals in their yards and homes.

Mayor Robinson said she had hoped to see plans for more innovative and sustainable infrastructure to deal with wastewater. Mr. Gurol said he shared that priority and would continue to seek the most effective projects. He noted current efforts focused on energy conservation and sustainability.

Ms. Robinson noted staff's request for direction to prepare a comment letter to send to King County. She summarized that the Council would like the letter to address looking at concrete ways to reduce the ratepayer burden, looking at ways to utilize sustainable practices, now and in the future, providing regular updates regarding actual usage and population growth as well as long-range estimates, and public education.

→ Deputy Mayor Malakoutian moved to direct staff to prepare a letter to King County communicating the City's position concerning the proposed 2025 sewer rate, emphasizing the importance of implementing a long-term forecasting tool and completing

the Regional Wastewater Services Plan update. Councilmember Stokes seconded the motion.

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

At 7:58 p.m., Mayor Robinson declared a short break. The meeting resumed at 8:10 p.m.

(b) Affordable Housing Strategy Implementation Update

City Manager Carlson introduced staff's update regarding the implementation of the Affordable Housing Strategy.

Emil King, Planning Director, Community Development Department, said staff would report on the progress in implementing the Affordable Housing Strategy and request Council direction on the process and approach to update Bellevue's affordable housing target. He said the focus on affordable housing applies to households earning less than 80 percent of the area median income (AMI), which is a \$94,000 annual income for a two-person household.

Mr. King acknowledged the City's partnership with A Regional Coalition for Housing (ARCH) and others to secure funding for housing. He thanked Sound Transit, the King County Housing Authority and nonprofit housing developers and operators. He said there have been housing projects on faith-based properties in Bellevue. He thanked Amazon, Microsoft and others for their contributions to affordable housing.

Linda Abe, Affordable Housing Manager, said the Affordable Housing Strategy was adopted in 2017 and 2,750 housing units have been preserved, built or are in the pipeline, exceeding the target of 2,500 units by 2027. She noted that all 21 actions in the Affordable Housing Strategy have been implemented.

Ms. Abe said Plymouth Housing supportive housing opened in the Eastgate area last fall and the Porchlight men's shelter has opened at the same location. Both facilities are at 100-percent occupancy and provide housing for households earning less than 30-percent AMI. The Polaris development at the Eastgate campus provides 360 housing units for households at or below 60-percent AMI. The Bellevue School District worked with the developers of Polaris to reserve 50 units for teachers and staff. The complex has a number of large apartments for families and a child care center is planned.

Ms. Abe said the developers for the Spring District BRIDGE Housing project recently secured full funding for their 234-unit project, and construction is set to begin in the fall. She acknowledged a significant financial contribution from Amazon and funding from the Housing Stability Program to achieve this milestone.

Ms. Abe said staff continues to engage to implement Action C-1 of the Affordable Housing Strategy. She said three churches are moving forward with housing projects.

Hannah Bahnmitter, Senior Planner, recalled that in February, the Council approved funding from the Housing Stability Program and the ARCH Trust Fund for a number of projects. She said the Housing Stability Program and the Trust Fund have synchronized annual allocation processes and the 2024 request for proposals (RFP) will be released in early summer. The applications will be reviewed this fall and recommendations will be forwarded to the Council.

Other ongoing work that relates to affordable housing is the Comprehensive Plan Periodic Update, Wilburton Vision implementation, ongoing multifamily tax exemption (MFTE) program monitoring, affordable housing on suitable public lands and the Next Right Work projects.

Nick Whipple, Code and Policy Director, Development Services Department, recalled that in July 2022, the Council approved a list of housing strategies known as the Next Right Work. Items completed under the Next Right Work initiative included the micro-apartments Land Use Code Amendment (LUCA), increased floor area ratio (FAR) for downtown residential development, reduced fees for affordable housing, accessory dwelling unit LUCA, and simplifying and expediting permitting for affordable housing. Efforts are ongoing to address increased residential FAR in mixed use areas, middle-scale housing and internal permitting process improvements.

Mr. Whipple said the City is exploring both voluntary and mandatory affordable housing tools as part of the Wilburton Vision implementation. He said staff is currently involved in stakeholder engagement and in completing an economic analysis to inform ongoing Next Right Work efforts.

Mr. King introduced discussion regarding the approach and methodology for setting new affordable housing target. He said staff is seeking Council direction to proceed with proposing the new target and to continue stakeholder engagement. Stakeholders include developers, nonprofit organizations, community members and others interested in affordable housing work. Mr. King said staff proposes returning to the Council in the fall to modify or finalize the new housing target.

Ms. Bahnmitter said the original affordable housing target was set to guide the implementation of the Affordable Housing Strategy. The new target will help staff continue to implement the City's plans, evaluate programs, and to identify the tools and resources needed to meet the target. Ms. Bahnmitter said the starting point for setting a new 10-year target was based on the growth target of 35,000 housing units over a 25-year period. She said 5,700 affordable units are needed for households earning below 80-percent AMI and those units represent 40 percent of the total 14,000 affordable housing units that are needed by 2034.

Ms. Bahnmitter said the highest level of generalized support is needed to provide housing at the lowest income level (30-percent AMI). Those projects nearly always require both capital funding and operating funding to produce deeply affordable units and provide ongoing services (e.g., emergency shelters, transitional housing, permanent supportive housing). Housing for 30-percent to 50-percent AMI households typically needs assistance in capital funding and operating funding. To produce housing for 50-percent to 80-percent AMI households, land use and tax incentives can generally be an effective tool.

Ms. BahnMiller highlighted additional metrics that could be considered in setting the new housing target including whether renter or owner occupied, new construction versus preservation, family sized units, geographic distribution and emergency housing.

Mr. King described the average annual production of affordable housing in Bellevue since 2017 through all of the City's programs for income-restricted units along with the work of community partners. Bellevue has produced an average of 271 units annually over the past seven years for households earning below 80-percent AMI. Mr. King noted a significant need for housing below the 50-percent AMI level.

Mr. King said next steps include stakeholder engagement this summer and fall, continued discussion with the Council this fall, and updating the Affordable Housing Strategy following the adoption of the Comprehensive Plan Periodic Update.

Mayor Robinson said the data indicates that incentives are working at the 50-percent to 80-percent AMI level. She said housing has been added in the Downtown and BelRed areas. She expressed support for the Action C-1 housing projects on faith-based properties. She observed that housing preservation provides the largest number of affordable units per project.

Ms. Robinson expressed support for the proposed affordable housing target and approach to updating the target.

Responding to Mayor Robinson, Mr. King said the City partners primarily with the King County Housing Authority for preservation projects. Ms. Robinson said she would like the City to have more partners. In further response to Ms. Robinson, Mr. King said Housing Stability Program (HB 1590) funds may be used for housing serving households earning up to 60 percent AMI.

Ms. Robinson asked whether the City is considering pre-approved plans for detached accessory dwelling units (DADUs) as has been implemented by the City of Kirkland. Mr. Whipple confirmed that the City plans to develop pre-approved plans.

Responding to Mayor Robinson, Ms. Abe said two potential developments providing small units in the Downtown and BelRed areas have indicated an interest in the new provisions in the MFTE incentive.

Mayor Robinson said that from 1980 to 2022, the cost of living increased by 140 percent. During that same timeframe, housing prices increased by more than 300 percent and the average salary increased by 18 percent. The average CEO salary increased 1,300 percent during that same time period.

Councilmember Stokes expressed appreciation for staff's progress to date. He commented on the importance of preserving affordable housing as much as possible. He said it is important to have clear goals. Mr. King said the City's housing needs assessment provides more details about specific housing needs for different income levels. He said housing affordability is dynamic and complex.

Councilmember Zahn thanked staff for their efforts to accelerate a number of affordable housing initiatives. She expressed support for updating the Affordable Housing Strategy. She expressed support for the target of 5,700 affordable housing units (under 80-percent AMI) by 2034. Responding to Ms. Zahn, Mr. King confirmed that the 5,700 units do not include emergency shelter beds. Ms. Zahn suggested perhaps tracking preservation and new housing units separately.

Ms. Zahn expressed support for exploring opportunities for affordable housing on suitable public lands. She encouraged the City to consider bonding against the HB 1590 revenues if there are developers ready to invest in affordable housing projects. Responding to Councilmember Zahn, Ms. Abe said she has talked to developers of micro units in Seattle who are now interested in Bellevue's updated MFTE program. In further response to Ms. Zahn, Mr. King said home ownership units will be a subset of the 5,700 total affordable housing units.

Deputy Mayor Malakoutian thanked staff, his colleagues, previous Councilmembers and affordable housing partners for their dedication to implementing the Affordable Housing Strategy. He highlighted the achievement of adding 2,500 affordable housing units over the past 10 years and the preservation of existing affordable units. He expressed an interest in using debt to expand efforts to purchase existing apartments to preserve as affordable housing. He commended the efforts to provide housing on faith-based properties. He expressed support for the proposed affordable housing target of 5,700 units by 2034.

Councilmember Hamilton said he was impressed with all that has been accomplished and with staff's recommendations on how to move forward. He said housing is a critical issue and he supports a relatively aggressive target.

Responding to Mr. Hamilton regarding mandatory measures versus incentives, Mr. Whipple said staff is eager to test the effectiveness of both approaches in the Wilburton area. He noted the Next Right Work initiative to increase the FAR for residential development in mixed use areas. He said the economic analysis is underway and staff will evaluate the feasibility of different approaches. Mr. Whipple said there has been extensive involvement by a number of stakeholders and staff will work with the Planning Commission through this fall to conduct further review.

Mr. King said Community Development staff has been working with a consultant that is working on both the citywide analysis and a Wilburton-specific analysis. He said they are initiating community engagement with stakeholders to gather feedback to inform the options that will be presented for Council consideration later in the year.

Responding to Councilmember Hamilton, Mr. King said it will be challenging to provide housing for households earning below 50-percent AMI. Mr. King said staff will continue to analyze the housing levels and will provide an update to the Council in the fall. Mr. Hamilton said he liked how there are specific targets for each affordability category.

Councilmember Nieuwenhuis said he appreciated all of his colleagues' comments. He commended Bellevue's leadership in addressing affordable housing. He said he appreciated the

data-driven metric approach. Responding to Mr. Nieuwenhuis, Mr. King confirmed that the target is based on an analysis of Bellevue's needs and not the King County suggested targets.

Councilmember Nieuwenhuis asked whether it is possible to estimate the number of people who want to move to Bellevue but do not find it affordable for them. Ms. Abe said the housing needs assessment methodology was based on Bellevue's overall growth target of 35,000 housing units. However, the City did not look at everyone who could potentially move to Bellevue or wants to move here. He said the methodology looked at current needs at different socio-economic levels.

Mr. Nieuwenhuis expressed strong support for investing to preserve existing affordable housing. He is happy to see that faith-based groups are interested in providing housing through Action C-1 of the Affordable Housing Strategy. Councilmember Nieuwenhuis said incentives are critical. However, he is less supportive of mandatory measures. He said stakeholder engagement will be key in understanding the feasibility for developers. He expressed support for the target of 5,700 affordable units and noted it will be difficult to provide housing for households earning below 50-percent AMI.

Councilmember Lee acknowledged that Bellevue has always been less affordable than many surrounding communities. He thanked staff for the accomplishments to date and expressed support for the new proposed target. He expressed support for testing the effectiveness of both mandatory and incentive-based measures.

Mr. Lee referred to slide 17 of the presentation. Responding to Mr. Lee, Mr. King said the targets by household AMI levels acknowledge the low production of units for households earning below 50 percent AMI. He said those are the hardest housing units to achieve. Councilmember Lee asked whether the targets should be more realistic to achieve. Mr. King said staff's intent for tonight was to initiate this work with the Council before continuing stakeholder engagement and preparing to return to the Council this fall.

Councilmember Lee expressed support for the target of 5,700 units by 2034 and said he looks forward to ongoing conversations.

Mayor Robinson summarized what she heard in Councilmembers' comments. She noted Council support for the target and the process, exploring home ownership through an analysis of the data, considering HB 1590 funding for housing preservation and 0-50 percent AMI housing units, being aggressive with future goals, continuing stakeholder engagement and reassessing the target on an ongoing basis.

Councilmember Stokes wondered whether the analysis considers current households with individuals or families who might become homeless over the next few years.

Mayor Robinson said the proposed target prevents people from becoming homeless and provides the lowest entry point in affordability in Bellevue's history.

Mr. Stokes expressed concern that the current need is greater than the amount of housing that can be provided. He said it is important to consider both individuals who are currently experiencing homelessness and those who might become homeless in the future.

Mayor Robinson said preservation housing is often able to lower rental rates for the occupants.

Councilmember Zahn suggested that the target includes both those who are currently experiencing homelessness and others who are temporarily housed with family or friends and want to secure their own housing.

Responding to Mayor Robinson, Councilmembers indicated support for considering a more aggressive target in the future.

→ Deputy Mayor Malakoutian moved to direct staff to proceed with developing an updated affordable housing target of 5,700 affordable units by 2034, based on staff's recommended approach and process. Councilmember Stokes 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 9:25 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

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