

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

August 7, 2017
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Stokes, Deputy Mayor Chelminiak, and Councilmembers Lee, Robinson, and Simas

ABSENT: Councilmembers Robertson and Wallace

1. Executive Session

The meeting was called to order at 6:08 p.m., with Mayor Stokes presiding. There was no Executive Session.

2. Study Session

(a) Implementation Program for the Affordable Housing Strategy

City Manager Brad Miyake recalled that the Council adopted the Affordable Housing Strategy on June 5 and introduced staff's presentation of the related implementation work program.

Mac Cummins, Director of Planning and Community Development (PCD), said the two-phased work program for the Affordable Housing Strategy includes a series of 21 tasks. Phase one extends through the fall, and the second phase is dependent on future budget decisions by the Council.

Mike Kattermann, Senior Planner, recalled that the Council set the development of an affordable housing strategy as a priority several years ago. He said housing costs continue to increase. Bellevue's median rent is \$2,721, and the median sales price for a home is \$895,000 in East Bellevue and \$1,950,000 in West Bellevue. He noted that an individual earning \$15 per hour can afford approximately \$800 per month for rent.

Mr. Kattermann recalled that the Council launched the development of the Affordable Housing Strategy in December 2015. The technical advisory group (TAG) began meeting in 2016. The City conducted stakeholder and public engagement activities, including an online open house, through June. Staff presented a draft list of potential actions to the Council in September 2016 for further analysis by staff, the affordable housing TAG, and the community. Staff's draft

recommendation was presented to the Council in May, and the Council approved the Affordable Housing Strategy in June.

Mr. Kattermann recalled that the Council initially established a set of guiding principles for this effort [Attachment C in the meeting packet], including building upon ongoing and recent tools the City has developed while strengthening partnerships with other organizations, leveraging resources, ensuring a robust public outreach process, and monitoring results to adjust work items as needed. The principles were used to prioritize the 21 tasks mentioned by Mr. Cummins, which resulted in five interrelated strategies: 1) help people stay in affordable housing, 2) create a variety of housing choices, 3) create more affordable housing, 4) unlock the housing supply by making it easier to build, and 5) prioritize state, county and local funding for affordable housing.

Mr. Kattermann introduced Janet Lewine, Associate Planner and housing specialist, who will be managing and monitoring the progress of the work program.

Ms. Lewine described the phased work program. Phase 1 initiates early actions and explores potential 2018 budget proposals. Phase 2 includes legislative advocacy and other actions that will require increased resources, additional lead time, and/or greater coordination with partners. Ms. Lewine highlighted the Phase 1 and Phase 2 work programs containing the 21 tasks and the approximate work schedules for each item through 2020.

Ms. Lewine said the Phase 1 jump start action items are to: 1) update the multifamily tax exemption (MFTE), 2) establish criteria for potential public, faith-based, and nonprofit partners for housing projects, 3) develop incentives for the Downtown and Eastgate areas, 4) explore transit-oriented development (TOD) at Sound Transit's Operations and Maintenance Facility East (OMFE) in the BelRed corridor, and 5) partner with other agencies and organizations to preserve existing affordable multifamily housing. Ms. Lewine noted that item 2 [Work program item C-1] relates to looking for land that affordable housing developers might use in Bellevue. She said affordable housing incentives for developers in the East Main and Wilburton areas will be addressed during Phase 2.

Ms. Lewine highlighted Phase 2 work program items organized into: 1) actions that may involve budget proposals, 2) actions that advocate for housing legislation, and 3) actions requiring increased resources, additional lead time, and/or increased coordination with partners. Actions in the first category include funding for affordable housing, expanding the home repair program, enhancing energy efficiency, and promoting utility rate and tax relief programs. Items involving legislative advocacy include extending the MFTE, amending the State condominium statutes, and expanding state and local funding tools. The third category of Phase 2 action items addresses funding partnerships, encouraging micro-apartments around light rail, reducing building costs, promoting universal design in affordable units for disabled and elderly individuals, updating accessory dwelling unit (ADU) standards, and other potential strategies. Ms. Lewine said the issue of detached ADUs will be considered separately by individual neighborhoods through the neighborhood planning process.

Ms. Lewine said the City will work with the community, stakeholders, and the TAG, and will tailor public engagement to the 21 tasks in the work program. She said performance monitoring will include developing objectives and metrics for each action and continually assessing progress toward those objectives. Next steps are to: 1) work on the jump start actions, 2) continue code updates, 3) work with local and regional partners, 4) community and stakeholder outreach, and 5) monitoring and regular reporting to Council.

Mayor Stokes thanked staff for the presentation and the work program.

Councilmember Robinson expressed support for the work program incorporating previous discussions and Council direction. She looks forward to a future report indicating that more affordable housing units were created through the Affordable Housing Strategy than otherwise would have been created.

Responding to Councilmember Simas, Ms. Lewine said individuals who move into projects funded by the City through A Regional Coalition for Housing (ARCH) undergo annual income qualification checks to verify eligibility. In further response, Ms. Lewine said she will research statistics on the length of time that individuals typically stay in affordable housing developments.

Responding to Councilmember Lee, Mr. Kattermann said the 21 actions are interrelated, and it is not necessary to complete all Phase 1 items before moving to Phase 2. Mr. Kattermann said the items operate independently as well, and staff will keep the Council updated on the progress of action items. He said staff will seek additional Council direction as appropriate for future work items. Mr. Lee said he would like information showing which Phase 1 and Phase 2 items are more closely related. Mr. Kattermann said one example relates to the screening criteria for identifying potential properties for upzones. Phase 1 will conduct the analysis before implementing the upzones during Phase 2.

Mayor Stokes noted the Council's interest in reviewing the MFTE program and considering modifications to increase its effectiveness. Mr. Stokes summarized that the work program is based on previous Council discussion and direction, and staff will provide updates as appropriate.

Mr. Kattermann said staff will follow up with information to the Council regarding Councilmember Lee's comments.

(b) Environmental Stewardship Initiative (ESI) Update

City Manager Miyake introduced staff's update on Environmental Stewardship Initiative (ESI) activities. He said a number of Council policies and actions are guiding the initiative including the Comprehensive Plan, Mayor's Climate Protection Agreement, work with the King County Cities Climate Collaboration (K4C), and countywide policies.

Mr. Cummins commented on the importance of environmental stewardship for the future of a healthy community and economic vitality. He said staff would provide an update on accomplishments to date as well as information on new initiatives.

Jennifer Ewing, Environmental Stewardship Program Manager, said Comprehensive Plan policy EN-48 supports the use of emerging best practices in the area of green building and site design, through the use of pilot programs and model ordinances. Responsive to that objective, the ESI Strategic Plan includes items to: 1) reduce code barriers and streamline the permitting processes for green building and renewable energy projects, and 2) encourage energy and water conservation and green building in Bellevue through the Energy Code and other tools.

Ms. Ewing recalled that the ESI Strategic Plan includes 17 sustainability indicators and 57 actions in the areas of greenhouse gas emissions, mobility and land use, energy and water, materials management and waste, and ecosystems and open space. The current progress report is provided as Attachment A in the meeting packet, and 98 percent of the actions in the strategic plan have been implemented or initiated. The key next steps in the continued implementation of the plan involve: 1) an update to the greenhouse gas reduction target, 2) climate resiliency planning in the areas of land use and utilities, 3) developing a green fleet plan, 4) green building incentives, and 5) removing code barriers to green building.

Ms. Ewing recalled that the City received a grant last year through the U.S. Department of Energy to develop new methodologies for analyzing changes in greenhouse gas emissions from year to year. The greenhouse gas inventory includes a number of factors including electricity use, natural gas use, transportation emissions, and other items. The City recently received approval from the U.S. DOE to move to the next phase of that work, which will involve a group of other cities. Ms. Ewing said staff updated 2016 greenhouse gas emissions data for Bellevue, which continues to show a decrease in emissions since 2006.

Ms. Ewing recalled that staff previously proposed a resolution for municipal building energy benchmarking, which was adopted in November 2016. The City continues to publicly report on the energy use intensity of City facilities that are larger than 5,000 square feet. The information allows staff to compare City Hall's efficiencies with other cities around the country. The most recent K4C elected official meeting was held in April 2017 and focused on energy, and the upcoming meeting this fall will focus on transportation.

Ms. Ewing said the City is tracking opportunities related to electric vehicle charging infrastructure, including funding related to the Volkswagen settlement. The automaker will invest in converting vehicles to electric technology as well. The Seattle-Tacoma-Bellevue area has been selected as one of the first area for those investments, which could total \$30 million in the region.

Ms. Ewing recalled that the City participated in the Georgetown University Energy Prize competition in 2015 and 2016. She noted partnerships with Puget Sound Energy, Hopelink, Mini City Hall, the King County Housing Authority, and the Boys and Girls Clubs of Bellevue as part of that effort. Ms. Ewing said a \$5 million prize was initially identified for the competition, and

the program is still working to identify the 10 finalist cities based on last year's results. However, she clarified that the prize is not cash but will be provided in the form of technical support to help cities secure \$5 million in financing.

Ms. Ewing described additional ESI achievements including the Puget Sound Energy (PSE) Powerful Partnerships Grant awarded to the Mercer Slough Environmental Education Center, the Urban Smart Bellevue program with PSE and businesses, and the PSE Green Direct program. She said several City departments have signed up for the Green Direct program including Civic Services, Fire, and Parks and Community Services.

Ms. Ewing provided updates on the EnviroStars Green Business program and tree canopy planning. She noted the Comprehensive Plan goal for a 40-percent tree canopy. The City received \$25,000 from the King Conservation District for outreach and education regarding the value and benefits of trees. She noted the establishment of a tree canopy interdepartmental working group, which will focus on the impacts of major infrastructure projects on the tree canopy.

Ms. Ewing highlighted the benefits of green building including decreased operational costs over the lifetime of the building, reduced energy and water use, stormwater management, Smart Building technologies, and real estate decisions based on green building features. She presented a table comparing green building incentives and services in several cities, which include density bonuses, reduced parking requirements, expedited permitting, fee reductions, the Advanced Green Building program, and technical assistance.

Ms. Ewing noted local governments participating in the Master Builders Association's Built Green program, including Bellevue, Kirkland, Mercer Island, Redmond, Seattle, and King County. Redmond has the highest percentage of new construction residential units with the program's Built Green certification.

Liz Stead, Land Use Director, said current green building strategies in Bellevue involve green building incentives in the BelRed plan and in the draft Downtown code update, green and sustainability factors in the draft Downtown code, streamlined permitting for electric vehicle charging stations and rooftop solar installations, and the adoption of the solar readiness voluntary code in the 2016 Building Code update.

Ms. Stead described a potential Advanced Green Building pilot project to further encourage green building, address the increasing demand for green building by technology companies, continue to remove barriers to advanced green building, and to assess the potential impacts to codes, permits, and fees for net zero energy and water buildings.

Ms. Stead said Bellevue's code currently includes the alternate means and methods system, which allows applicants to demonstrate that they are meeting the intent of the Building Code through an alternate means. City staff will work with key stakeholders including the Bellevue Downtown Association, Master Builders Association, green building developers, and other Bellevue developers to explore and develop an Advanced Green Building pilot program. Related

recommendations for code amendments and/or fee or rate adjustments will be presented by staff at a later date. She noted the importance of identifying incentives that will achieve the City's green building and environmental stewardship goals.

Councilmember Robinson referred to pages 15 and 16 of the presentation and observed that she does not see a demonstrated relationship between incentives and green building certificates. The City of Shoreline has the most types of incentives. However, Shoreline is not reflected in the Master Builders Association's Built Green certification table.

Ms. Ewing said the City of Shoreline adopted its program relatively recently in April. She said that, after the City of Seattle adopted certain incentives and expedited permitting process, there has been a steady increase in Built Green certifications. Ms. Ewing said it can take a number of years for the incentives to demonstrate their effectiveness.

Councilmember Robinson expressed an interest in knowing which incentives are the most effective in creating green building. She observed that expedited permitting has been effective. Ms. Ewing said the Built Green program includes both single-family and multifamily residential development. She said staff will monitor the program to determine whether it might be more effective to focus on single-family, multifamily, and/or commercial development.

Councilmember Robinson requested data that demonstrates the effectiveness of ESI activities since 2014 in meeting Bellevue's goals.

Deputy Mayor Chelminiak referred to page 7 of the presentation which provides a table of Bellevue Community Greenhouse Gas Trends since 2006. He said it appears that total emissions were essentially the same in 2006 and 2016. He noted that commercial energy usage decreased at some point, likely due to the recession. However, commercial energy usage appears to have increased again in recent years.

Ms. Ewing concurred that the recession likely had an effect on energy usage. She noted that, in 2012 and 2013, the grid was cleaner, which is reflected in the lower levels of greenhouse gas emissions. Responding to Mr. Chelminiak, Ms. Ewing said "cleaner" refers to the fuel mix during those years, including wind power, solar power, and other sources. She said wind and solar power are the most green, and natural gas has lower carbon emissions than coal.

Mr. Chelminiak questioned the MTCO₂e per capita line on the graph of greenhouse gas emission trends. Ms. Ewing said the acronym stands for metric tons of carbon dioxide equivalent. There are six major greenhouse gases, which can be converted to carbon equivalents for comparison purposes. Mr. Chelminiak observed that the MTCO₂e levels are lower now than in 2006, and Ms. Ewing concurred that the trend is positive.

Councilmember Simas questioned whether developers have been involved in identifying and analyzing green building incentives. He questioned whether anyone is compiling data regarding the individual decisions of developers. He noted that the City of Redmond appears to be doing well in terms of the Built Green program. However, he questioned whether the success of the

program can be attributed to City programs. Mr. Simas questioned whether developers have provided input about the incentives they choose and that they consider to be most valuable and effective. Ms. Ewing said she will research whether data is available. She said the City met with developers in the spring to gather anecdotal input on incentives. However, she will look for surveys that might provide better information.

Deputy Mayor Chelminiak said that green building is not limited to the Master Builders Association's Built Green program. He requested information addressing why Bellevue is not achieving results similar to Seattle.

Mayor Stokes thanked staff for the presentation. He noted it might be helpful for Councilmembers to request individual briefings for more in-depth information. He is pleased with the grant from the King Conservation District related to achieving the tree canopy goals.

(c) Intelligent Transportation Systems (ITS) Implementation Strategy Update

Mr. Miyake introduced discussion of the City's Intelligent Transportation Systems (ITS) Implementation Strategy. He recalled that Steve Marshall was hired earlier in the year for the position of Transportation Technology Partner Manager, and staff continues to work on implementing the ITS Strategy.

Chris Long, Traffic Engineering Manager, recalled that the Council directed staff in May to develop guiding principles for the ITS program. He said the draft vision statement and goals are provided in the meeting packet. The draft vision is to: "Use innovation and partnerships to deploy emerging technologies that enhance the safety, sustainability, efficiency, and accessibility of Bellevue's transportation system." He noted the list of ITS strategy goals organized into those areas as well as economic growth-related goals.

Daniel Lai, Senior ITS Engineer, provided an update on the status of ITS Master Plan work items. The ITS inventory and literature review have both been completed. The needs assessment and traveler information outreach efforts are underway, and the communication plan is nearly completed. The deployment plan and final report will ultimately be generated through the outcomes of those tasks.

Mr. Lai said the needs assessment involved 13 stakeholder groups, which resulted in identifying 70 needs to address existing traffic operations and management and to address emerging technology needs. Those needs have been organized into five themes: 1) Enhance communication network resiliency, 2) Increase the availability of real-time transportation data, 3) Expand social media use for traveler information purposes, 4) Provide inter-compatibility between technologies, and 5) Provide ITS benefits for all travel modes.

Mr. Lai said the neighborhood transportation levy identifies \$600,000 toward upgrading communications in 2017-2018. He said stakeholders have discussed the need for better real-time transportation data and performance monitoring/tracking. Mr. Lai said examples of the inter-compatibility between technologies could include equipping snow plow vehicles with weather

sensors, computer aided dispatch and automatic vehicle locator integration for emergency response, and an enhanced incident management system. Mr. Lai said examples of ITS benefits for all modes of travel include continuing to expand the City's transit signal priority partnership with King County Metro, multimodal traveler applications, and bicycle detection technology.

Mr. Lai highlighted the results of the City's traveler information outreach. The preferred source of information for Bellevue travelers is smartphone apps. The most frequently used apps are Google Maps, Washington State Department of Transportation (WSDOT), Waze, One Bus Away, and the King County trip planner. Mr. Lai said staff will hold a focus group meeting to explore app usage, the types of enhancements that could be provided by the City, and other app-related issues.

Mr. Marshall noted a recent report predicting a much faster deployment of autonomous, electric, and shared vehicles, due in part to the significant decrease in the cost of batteries, increased computing power, improvements in sensors, and advanced cloud capabilities. In May, Bloomberg issued a report that electric vehicles will be less expensive than gasoline vehicles by 2025. He said all cars sold in Europe are anticipated to be electric vehicles by 2040.

Mr. Marshall said one of the emerging technologies is autonomous electric shuttles. On June 7, the governor signed an executive order encouraging regulations to promote electric vehicle usage. Mr. Marshall noted advancements in vehicle-to-infrastructure technology (V2I communications) related to connected vehicles. Electric vehicle technology includes charging infrastructure and electric vehicle fleets, and shared vehicle services include flexible electric vanpools, car share programs, and mobility hubs. Mr. Marshall said a number of private companies are interested in providing electric connected vehicles with flexible schedules and the ability to reserve a ride through mobile apps.

Mr. Marshall said funding opportunities include an INFRA (Infrastructure for Rebuilding America) grant, Bloomberg Philanthropies 2017 Mayors Challenge, U.S. Department of Transportation's Advanced Transportation and Congestion Management Technologies Deployment Initiative, and the Volkswagen Clean Air Act civil settlement.

Responding to Councilmember Lee, Mr. Lai said the \$600,000 identified in the neighborhood transportation levy was allocated for creating a performance monitoring system and a communications system. Mr. Lai said Bellevue already has fiber optic infrastructure connecting all traffic signals. He said a large portion of the \$600,000 will be spent on upgrading Ethernet switches, which are the electronic components within utility cabinets that enable higher speed communication and provide a larger pipeline for data transfer. Mr. Lai said the City currently has high-definition video cameras in the field, and expanding the capacity for data transfer will allow the use of higher resolution video. He said the City has also set aside reserves to support autonomous vehicle technology and performance monitoring capabilities.

Mr. Lee said most of the equipment and technology already exists. He stated his understanding that no new development is needed that would require working with technology companies to develop new technologies. Mr. Lai said the City is looking at cloud services that will enable it to

store more data and provide information through open data portals. He said that is a relatively new and emerging field in the area of transportation.

Responding to Councilmember Lee, Mr. Marshall said the City has reached out to both public agencies and private entities to explore partnerships related to autonomous electric vehicles, travel information and apps, and other initiatives. Mr. Marshall said staff is working to secure grants to assist the City's efforts. As an example, he noted the potential for grants to help fund park and ride facilities in the I-405 Master Plan. Mr. Marshall said this area has two of the largest providers of cloud services: Amazon and Microsoft. However, he noted that no one is manufacturing electric vehicles in this area.

Deputy Mayor Chelminiak said Snohomish County is interested in advanced manufacturing and has the space to accommodate manufacturing companies. He suggested exploring opportunities for manufacturing. Mr. Marshall said staff recently visited PACCAR's testing facilities and drove an autonomous truck.

Mayor Stokes said regional efforts, such as the Innovation Triangle with the cities of Kirkland and Redmond, have the potential for expanding partnerships to include other cities. He suggested that Bellevue can provide leadership in working with Seattle and Tacoma to guide new technologies. Mr. Marshall said he attended the recent meeting of the Innovation Triangle, which included discussion of a car sharing report and of grant opportunities.

Responding to Mr. Chelminiak, Mr. Marshall said autonomous vehicles will be implemented first in fleets because companies and agencies can afford to purchase them. With regard to insurance, Mr. Marshall said individual insurance costs are anticipated to decrease, while product liability costs for vehicle manufacturers will increase.

At 8:00 p.m., Mayor Stokes declared recess to the Regular Session.

Kyle Stannert, CMC
City Clerk

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