

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

December 3, 2018
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Chelminiak, Deputy Mayor Robinson, and Councilmembers Lee, Nieuwenhuis, Robertson, Stokes, and Zahn

ABSENT: None.

1. Executive Session

Deputy Mayor Robinson called the meeting to order at 6:00 p.m., and declared recess to Executive Session for approximately one hour to discuss one item of labor negotiations (15 minutes) and one personnel matter (45 minutes).

The meeting resumed at 7:08 p.m., with Mayor Chelminiak presiding.

2. Study Session

(a) Update on Regional Affordable Housing Task Force Five-Year Action Plan

City Manager Brad Miyake introduced discussion regarding the Regional Affordable Housing Task Force.

Joyce Nichols, Director of Intergovernmental Relations, recalled that the Council adopted the City's Affordable Housing Strategy in June 2017, and the Regional Affordable Housing Task Force began meeting in August 2017. The strategy guided staff and Councilmember Stokes, who served on the task force, in advocating for the City's interests. Ms. Nichols said the Sound Cities Association's public issues committee will discuss the task force's plan on December 12. She noted that many of the recommendations in the plan provide tools and ideas for addressing the affordable housing crisis.

Ms. Nichols said the City has been a member of A Regional Coalition for Housing (ARCH) for 25 years and has contributed to the creation and preservation of affordable housing. She said the recommendations will be forwarded to the King County Executive and the King County Council following the task force's adoption of the plan. She noted the recommendation that the Growth

Management Planning Council form a subcommittee to guide the implementation of the task force's recommendations.

Alison Mendiola, Housing Coordinator for the King County Council, said the Regional Affordable Housing Task Force includes elected officials representing King County, the City of Seattle, and the Suburban Cities Association (SCA). The task force worked with a non-voting standing advisory panel of community representatives and stakeholders as well as with a staff work group that provided technical advice on the process and policies. Ms. Mendiola highlighted the public process including a community meeting in January 2018 with more than 200 participants, three subarea meetings (Auburn, Bellevue, Shoreline), three presentations to the Regional Policy Committee, five discussions by the SCA public issues committee, and ongoing staff presentations for professional groups.

Key findings of the task force indicate that King County's population growth has been greater than housing production since 2011, and wages have not kept pace with rising housing costs. More than 100,000 low-income households pay more than half of their income on housing costs. Renters and people of color are significantly more likely to spend half of their income for housing costs. Ms. Mendiola said 244,000 affordable homes are needed by 2040 to ensure that no low-income household is cost burdened. The overall goal of the draft Affordable Housing Five-Year Action Plan is to eliminate the cost burden for households earning 80 percent or below the area median income (AMI), with a priority for serving households at or below 50 percent AMI.

Kelly Rider, Intergovernmental Affairs Manager, King County Department of Community and Human Services (DCHS), said the task force recommends the creation of an affordable housing subcommittee of the King County Growth Management Planning Council (GMPC) to implement the task force's recommendations. Additional recommendations include the creation of 44,000 affordable housing units over the next five years, the development of affordable housing near transit services and in regional growth centers, the identification of strategies to increase tenant protections and prevent unnecessary evictions, and the adoption of policies that streamline regulations and allow for a range of housing choices.

Councilmember Stokes thanked staff for the presentation. He noted that the City's Affordable Housing Strategy provides an action-oriented pathway for the implementation of policies that support the creation and preservation of affordable housing. He said it is important to have a regional approach while recognizing that different solutions will be appropriate for different cities and neighborhoods. He noted that the task force provided the opportunity for cities to share information regarding effective solutions that have been implemented. Mr. Stokes said Bellevue can be a leader in this effort. He opined that adding 44,000 affordable housing units over the next five years is an aspirational yet achievable goal.

Deputy Mayor Robinson thanked staff for their hard work on this issue. She suggested considering whether the City should advocate for an increase in housing vouchers from the U.S. Department of Housing and Urban Development (HUD) as part of the Council's federal legislative agenda. Ms. Robinson said it would be helpful to have a phone number for landlords

to call when a tenant stops paying rent, in order to attempt to assist individuals before they lose their housing.

Councilmember Zahn acknowledged that different solutions will be appropriate for different communities. She expressed support for the regional effort and the sharing of information. She suggested exploring ways to engage in advocacy at the federal, state, and local level.

Councilmember Nieuwenhuis said he liked the regional coordination and the focus on action in the task force's plan. He said the plan indicates that \$384 million was spent annually in the region during the past five years to create 2,500 homes per year at an average cost of \$153,000 per home. He questioned how that compares to other parts of the country.

Ms. Rider said the cost is fairly consistent with similar urban regions. However, the development of affordable housing is influenced by the cost and availability of land, construction and labor costs, and the cost of building materials. Ms. Rider said the task force did not specify an anticipated cost per housing unit. However, housing experts estimate that the cost of providing housing is likely to increase significantly. Ms. Rider said strategies for achieving the production of 44,000 affordable units over the next five years include cost reductions (e.g., discounting public land) and mechanisms such as the multifamily tax exemption (MFTE) program.

Responding to Councilmember Nieuwenhuis, Ms. Rider said the Rental Housing Association was not a member of the standing advisory panel. However, the Washington Multifamily Housing Association is a member. The latter continues to be interested in opportunities to partner with government. However, they are not supportive of prescriptive strategies at the state level. Ms. Rider noted that efforts for eviction reform continue to be an issue in the region.

Councilmember Robertson agreed that the GMPC is the right place for the regional affordable housing subcommittee. She said it is important to have measurable goals with cost-effective and demonstrable results. She likes that the approach does not intend to dictate mandates for cities to follow. She noted a reference in the meeting materials to a potential affordable housing levy in 2020. Ms. Robertson said there is funding for affordable housing in the veterans and human services levy, Best Starts for Kids initiative, and mental health and drug dependency levy. She said it will be helpful for the GMPC subcommittee to understand the existing resources and how they are used. She encouraged coordination to avoid the duplication of efforts and to streamline the use of funds in the most effective manner.

Ms. Robertson opined that elected officials should be included on the subcommittee because they tend to have more information and they represent the public at large. She has served on the GMPC for nine years and looks forward to working on this effort.

Mayor Chelminiak thanked staff and said he has been involved in issues related to homelessness for some time. He appreciates the concept of creating a regional tool box for consideration by local governments. He suggested it will be important to measure the effectiveness of the tools and programs implemented by cities. He expressed support for the goal of providing 44,000 affordable housing units over the next five years. He noted that the City's capital budget adds approximately \$11 million for affordable housing initiatives.

(b) Regional Issues

[Information provided in meeting packet.]

3. Council Discussion of Upcoming Items: None.

At 8:01 p.m., Mayor Chelminiak declared recess to the Regular Session.

Kyle Stannert, CMC
City Clerk

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