

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

October 21, 2019
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

The meeting was called to order at 6:07 p.m., with Mayor Chelminiak presiding.

2. Study Session Items

- (a) Discussion of A Regional Coalition for Housing (ARCH) 2020 Administrative Budget and Work Program

City Manager Brad Miyake introduced discussion regarding the ARCH (A Regional Coalition for Housing) 2020 Administrative Budget and Work Program.

Lindsay Masters, ARCH Executive Manager, recalled that ARCH is an interlocal agency established in 1993 to provide a framework for cities in East King County to cooperatively plan and provide public housing. The governance structure includes an Executive Board, Citizen Advisory Board, member City Councils, and ARCH staff. There are currently five full-time staff and the agency is in the process of adding two positions.

Ms. Masters described ARCH's first program area of investments in affordable housing. She highlighted recent project openings, including the 30 Bellevue Apartments at St. Luke's Lutheran Church, developed in partnership with Imagine Housing. The 64 affordable homes serve families with incomes from 30 percent AMI (area median income) to 60 percent AMI. Half of the units are reserved for homeless individuals who receive supportive services. The Habitat for Humanity Sammamish Cottages development provides 10 affordable homes for families with an average income of \$50,293. The average sale price was \$232,000, and the families worked a

total of 2,350 hours to build the homes. The project received an investment of \$972,000 from the Housing Trust Fund and a land donation by the City of Sammamish.

The family shelter in Kirkland will be the first 24-hour shelter on the Eastside for women and families and is expected to open in the fall of 2020. The project is a partnership of The Sophia Way, Catholic Community Services, Holy Family Parish, and the Salt House Church. The project received \$2.5 million from the Housing Trust Fund, including a land purchase by the City of Kirkland.

Ms. Masters said the second ARCH program area is housing policy and planning, which promotes land use and development regulations to create affordability (e.g., incentive and inclusionary housing policies, accessory dwelling unit standards). ARCH supports the development of housing strategies, plans, and policies and participates in advocating for state and federal legislation.

The third program area is housing program administration and stewardship. ARCH prepares funding program and land use incentive contracts, monitors long-term affordability and loan repayments, maintains a list of income-eligible households, and oversees the initial sales and resales of below-market ownership homes. Ms. Masters said that a comprehensive audit and evaluation of the home ownership program was conducted with a consultant and resulted in the development of new reporting measures to monitor program activity. The ARCH Executive Board authorized additional staffing for compliance and program administration and initiated the collection of demographic data to evaluate program access.

The fourth program area is education and public outreach. ARCH assists individuals seeking housing, generates outreach materials to educate the broader public, plans educational events, presents community awards to recognize outstanding housing efforts, and builds connections with community stakeholders (i.e., faith communities, developers, nonprofit organizations, and others).

Ms. Masters summarized the assessment of the home ownership program, which concluded that the program is serving the targeted income households, ARCH staffing levels have not kept up with the growth in programs, and more active program monitoring is needed as the value of ARCH units has grown. The six-month evaluation focused on how the program is administered and how that compares to best practices. The primary recommendations of the review are to expand staffing, strengthen enforcement mechanisms, strengthen program requirements, and improve overall systems.

Moving to the 2020 budget and work program, Ms. Masters said the two new staff positions will focus on monitoring and program administration, with one focused on the home ownership program and the second position focused on rental compliance. Ms. Masters said staff interns were valuable during the past year, and she recommended continuing to use interns next year. The budget includes funds for software licensing to develop and operate the database and to upgrade the ARCH website.

The 2020 work program includes items to: 1) develop measurable goals for the production and preservation of affordable housing, 2) support the development of an Eastside plan for equitable transit-oriented development (TOD), 3) continue to support proposals for dedicated revenue sources for affordable housing, 4) evaluate options for expanding ARCH's capacity, 5) explore a shared state legislative agenda, 6) develop an inventory of potential public and nonprofit properties, and 7) to explore outreach and partnership opportunities to promote the development of accessory dwelling units (ADUs).

Ms. Masters said the 2020 program includes assisting City of Bellevue staff with contracting, monitoring, and administering the City's land use incentive program and the multifamily tax exemption (MFTE) program. ARCH will assist the City with the implementation of its Affordable Housing Strategy. Related work program items could include: 1) developing a funding strategy for affordable housing on suitable public lands near transit service; 2) increasing the development potential on land owned by public agencies, faith-based groups, and nonprofit housing entities; and 3) reviewing parking requirements and other code changes.

Mayor Chelminiak thanked Ms. Masters for the update.

Councilmember Stokes noted that he served on the affordable housing task force. He expressed support for the value of regional coordination and outreach, which puts the Eastside cities in a good position to address both affordable housing and homelessness. He thanked Ms. Masters for overseeing the evaluation of ARCH programs and for co-sponsoring the event to celebrate the opening of the 30 Bellevue community.

Councilmember Nieuwenhuis thanked Ms. Masters for the focus on compliance issues. Responding to Mr. Nieuwenhuis, Ms. Masters said that one of the new staff positions has been filled. She proposed continuing to use two part-time interns. In further response, Ms. Masters said the new software is designed specifically for affordable housing programs.

Councilmember Zahn observed that the Council has focused a number of recent discussions on issues related to affordable housing and homelessness. She suggested continuing to work with local employers to identify partnerships, potentially for workforce housing for their employees. Ms. Zahn noted House Bill 1406 related to affordable housing funding.

Councilmember Lee said ARCH is a great program and model for cities working together. He wants to be sure that ARCH remains focused on what it does best, recognizing that different problems require different solutions. He noted that he attended the opening of the 30 Bellevue housing units. He encouraged ARCH to take advantage of TOD and partnership opportunities.

Deputy Mayor Robinson thanked Ms. Masters for addressing the compliance issues that arose last year and expressed support for the proposed 2020 budget and work program. Ms. Robinson noted the reference in the meeting packet materials to new fee revenue for resale transactions. She wondered whether a provision could be added to exempt individuals who sell a home at a loss. Ms. Masters said a longer process would be needed to analyze and develop options. She said ARCH currently does not require anyone to sell for less than their purchase price. However, it is possible that housing prices could drop at some point in the future.

Deputy Mayor Robinson asked whether a list of affordable housing for potential preservation is shared with other agencies. Ms. Masters said that one of the risks for creating a list is it could potentially increase the price of those apartments and housing developments. In further response to Ms. Robinson, Ms. Masters confirmed that TOD includes both light rail and bus rapid transit (BRT).

Councilmember Robertson expressed support for the renewed focus on program stewardship. Responding to Ms. Robertson, Ms. Masters said the volume of applications tends to be cyclical, and a number of ARCH member cities are now applying for funding. She said that new developers have recently become interested in providing affordable housing in East King County.

Noting the 52 percent increase in administrative costs, Ms. Robertson observed that a number of cities will not experience a similar increase in membership fees. Ms. Masters said that the formula for smaller cities includes a per capita allocation and a minimum cost. She said that some of the cities would pay less on strictly a per capita basis. Ms. Masters said that King County's contribution is not calculated in the same way as the cities based on the rationale that the County does not utilize ARCH's services to the same extent.

Responding to Councilmember Robertson, Ms. Masters said staff intends to conduct a full analysis of the home ownership program's resale covenants, including those that are applied to foreclosures.

Mayor Chelminiak said that ARCH has been referenced in the recent discussions regarding the creation of a regional homelessness authority and the development of subregional plans. He thanked Ms. Masters for her work and for the new energy she has brought to ARCH.

(b) Update on Aquatic Center Feasibility Study

City Manager Miyake recalled that the concept of a regional aquatic center was last discussed with the Council on April 22. At that time, the Council received an update regarding the scope of the feasibility study. Staff has been working with a consultant and will provide an update regarding program options, cost estimates, and a site analysis. The full study will be completed next spring.

Shelley McVein, Deputy Director of Parks and Community Services, said that Bellevue's current aquatic center (Odle Pool) is approximately 50 years old. Following the 2009 feasibility study, the Council expressed support for the regional aquatic facility presented as Option D. In 2018, the Council funded an update to the 2009 study and identified a regional aquatic center as a priority in its 2018-2020 Council Vision. Ms. McVein said King County is conducting its own study to consider the creation of a regional aquatic facility.

Ms. McVein recalled that, during the April presentation to the Council, staff discussed the project history, partnership interests, and the scope of the feasibility study update. At that time,

staff described dry side amenities that would complement the pool uses and generate revenue for the center. Ms. McVein said the Council previously expressed support for the overall work plan and scope of the feasibility study and for a bold regional project and a separate deep water tank. The Council also suggested a study of the impacts on neighborhood pools and potential options for the Odle Pool.

Glenn Kost, Parks Planning Manager, said the stakeholder outreach to date included meetings with 37 different groups including aquatic center users and facility providers/operators. The key themes heard throughout those discussions highlighted the lack of pool space for competitive aquatic activities and support for keeping the Odle Pool. The Bellevue School District supports competitive aquatics programs, and most local pool providers are interested in a new facility. The stakeholders expressed support for market rates for pool time and for offering a variety of aquatic and dry side amenities, including swimming lessons.

Mr. Kost said that City staff has discussed the concept of a regional aquatic facility with Bellevue College, which is currently conducting its own due diligence study of how a center could work within its campus. He said staff met a number of times with representatives of SPLASH Forward, which is conducting a private fundraising campaign in support of a regional facility. King County's park levy includes funding for aquatics programs.

Mr. Kost described the potential program elements, with three options under each element. The first program element is a 50-meter competition pool with a connected or separate deep water tank. The second program element is seating capacity and the options range from the ability to accommodate 400 spectators and 150 athletes to 900 spectators and 720 athletes. Bellevue's Odle Pool accommodates 150 spectators and 70 athletes; the Snohomish aquatic facility accommodates 420 spectators and 100 athletes; and the King County Aquatic Center accommodates 2,500 spectators and 1,000 athletes.

The third program element is a 25-yard program pool, with options ranging from six lanes to 10 lanes. The fourth element is a 6,000 square foot to 8,000 square foot leisure and recreation pool area, which could ideally be located adjacent to party rooms and concession stands. The fifth program element is a wellness/therapy pool, and the options include whether to retain the therapy pool at Bellevue's Odle Pool facility. The sixth program element is cardio/fitness facilities ranging from 5,000 square feet to 13,500 square feet. For comparison purposes, the Bellevue YMCA provides 12,100 square feet of cardio/fitness space, and the South Bellevue Community Center has 3,800 square feet of space for fitness activities. Mr. Kost noted that fitness facilities would be a desirable feature for an aquatic center at Bellevue College.

Mr. Kost highlighted a table showing the different ways that the program elements can be scaled and combined for the regional aquatic facility. The underlying assumptions are that the City will build and operate the facility, current aquatic center providers will remain the same, and that the revenues reflect current Puget Sound market conditions. The costs do not consider partner contributions or the remodeling or repurposing of the Odle Pool. Mr. Kost highlighted the building, site/parking, and soft costs for three facility options ranging from \$70 million (97,000 square feet) to \$110 million (164,000 square feet). Annual operating costs range from \$1.1 million to \$1.6 million and reflect a cost recovery rate of approximately 75 percent.

Mr. Kost said that three of the four sites currently under consideration were identified in the 2009 study: Marymoor Park, Bellevue College, and Airfield Park. The updated study identified Lincoln Center as a potential site. Mr. Kost presented the positive and negative aspects of each site. Lincoln Center is located centrally in Bellevue and has multimodal access and nearby amenities. However, the site is relatively small (4 acres) and would require a multilevel structure, including parking, or the acquisition of additional property. The Marymoor Park site covers 20 acres, provides convenient regional access, and offers the potential for partnerships with the City of Kirkland, City of Redmond, and King County. However, the distance from Bellevue and certain property complications (e.g., utilities, environmental analysis) make it a less desirable location.

Airfield Park covers 27 acres and provides good regional access. However, the location requires remediation related to the landfill that was previously at the site, and the aquatic center use is not included in the park master plan. The Bellevue College option provides shared parking, high visibility, convenient access, and the potential for a partnership with the college. Challenges include the cost of structured parking and large event management.

Mr. Kost said staff will share the final results of the feasibility study update and seek Council direction regarding the project scope and options in Spring 2020.

Councilmember Robertson thanked staff for presenting the menu of options for the program elements. Responding to Ms. Robertson, Mr. Kost said the competition pool would be up to 9.5 feet deep. Ms. Robertson noted that the temperature of the water is important in terms of the swimmers' performance. In further response to Ms. Robertson, Mr. Kost said the therapy pool at the Bellevue aquatic center is 1,800 square feet, and the pool is approximately 4,000 square feet. Ms. Robertson said she does not want to lose the Odle Pool's facilities. Responding to Ms. Robertson, Mr. Kost confirmed that dry side amenities, such as a fitness center, help to cover the pool operating costs.

Ms. Robertson said she favors the Bellevue College site, which would be an amenity for students as well. Lincoln Center is a good central location. However, the small size of the site and traffic in the area could be problematic. Ms. Robertson expressed support for the larger facility described as Option 3. For the next discussion, she would like information regarding financial sources and partnerships, the economic impact of the facility, and the ability to build the project in phases. She would like to design the facility for the Bellevue of the future, even if it needs to be completed in phases.

Councilmember Stokes concurred with Councilmember Robertson's support for a large regional facility and for retaining the Odle Pool. Mr. Stokes thanked staff for the presentation and said he looks forward to continued discussions.

Deputy Mayor Robinson expressed support for the Bellevue College site and noted her preferred combination of elements: 1) Option 3 competition pool, 2) Option 3 program pool, 3) retain and remodel Odle Pool, and 4) Option 1 cardio/fitness center. She suggested considering Lincoln

Center or Airfield Park for an Option 3 therapy pool, Option 3 leisure/recreational pool, Option 2 cardio/fitness component, and Option 3 gymnasium/track/e-sports element.

Councilmember Zahn thanked staff for the thorough information. She said the facility will create a community gathering space, and she supports retaining the Odle Pool. She would like to understand the implications for existing pools. She suggested that perhaps they could be satellite locations for certain amenities. She encouraged the continued exploration of partnership opportunities, potentially including corporate employee exercise programs. Ms. Zahn said she likes the Bellevue College site. However, she expressed concern regarding traffic congestion and transportation mobility in the vicinity of the site.

Councilmember Lee expressed support for the Bellevue College location. He said the challenge is in how the facility would be managed. He noted that partnerships are a key aspect of the project.

Councilmember Nieuwenhuis thanked Councilmember Robertson for her longtime advocacy for additional aquatic facilities. Mr. Nieuwenhuis expressed support for the Bellevue College option and encouraged a focus on competitive activities, especially to generate a strong economic impact. Responding to Mr. Nieuwenhuis, Mr. Kost said the King County Aquatic Center in Federal Way is the only facility with a 50-meter pool. Mr. Kost said that developing a NCAA or national level facility would involve a number of provisions from the competing organizations, including requirements for seating capacity, parking, lighting, hosting athletes, underwater cameras, and television coverage.

Mayor Chelminiak spoke in favor of retaining the Odle Pool. He said he is leaning toward Option 2 to accommodate conference and district competitions. He suggested focusing on achieving support from the Lake Washington School District. He noted that key benefits of the Bellevue College site are the convenient access via I-90 and the shared parking structure.

3. Discussion of Upcoming Items: None.

At 7:58 p.m., Mayor Chelminiak declared recess to the Regular Session.

Charmaine Arredondo, CMC
City Clerk

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