

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

April 19, 2021
6:00 p.m.

Virtual Meeting
Bellevue, Washington

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

ABSENT: Councilmember Stokes

1. Call to Order

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

2. Roll Call; Flag Salute

Mayor Robinson noted that Councilmember Stokes would be unable to attend and requested a motion to excuse his absence.

→ Deputy Mayor Nieuwenhuis moved to excuse Councilmember Stokes' absence from this evening's meeting, and Councilmember Lee seconded the motion.

→ The motion carried by a vote of 6-0.

City Clerk Charmaine Arredondo called the roll. All Councilmembers except Councilmember Stokes were present and participating remotely. Councilmember Robertson led the flag salute.

(a) Hopelink Day Proclamation

Councilmember Robertson read the proclamation joining the cities of Bothell, Carnation, Duvall, Issaquah, Kenmore, Kirkland, North Bend, Redmond, Renton, Sammamish, Seattle, and Shoreline in recognizing April 21, 2021 as Hopelink Day. Hopelink has been a vital community resource for 50 years providing social services, support, and hope for individuals experiencing poverty and homelessness.

(b) National Volunteer Week Proclamation

Councilmember Zahn read the proclamation recognizing April 18-24, 2021, as National Volunteer Week in Bellevue and urged all residents to celebrate the valuable contributions of volunteers in local government and the community.

3. Approval of Agenda

→ Deputy Mayor Nieuwenhuis moved to approve the agenda, and Councilmember Lee seconded the motion.

→ The motion carried by a vote of 6-0.

4. Oral Communications

- (a) Randall Apted, President of the Bellevue Youth Theatre Foundation, said the theatre held its first successful day camp over the Bellevue School District spring break. The camp concluded with a live-streamed performance for friends and family. He said the foundation recently donated \$6,700 to the theatre to purchase new streaming equipment for future public performances. The May production will be the Mad Hatter's Tea Party, a radio play to be presented online.
- (b) Patience Malaba, representing the Housing Development Consortium of Seattle-King County, thanked the Council and staff for their hard work to make the multifamily tax exemption (MFTE) program an effective tool in addressing housing needs. She expressed support for a proposal developed with the Eastside Housing Roundtable asking cities to cap rent increases for MFTE units to three percent annually. She said the King County area median income increased six percent between 2017 and 2018, which created an additional hardship on existing tenants of affordable housing. The proposal further asks cities to partially cover parking costs for tenants in income-restricted units. Ms. Malaba said the demand for affordable housing will continue to increase throughout the pandemic. She thanked the Council for their leadership and perseverance.
- (c) Mallory Van Abbema, Housing Development Consortium, encouraged the City to consider providing a transportation allowance equaling a 30-percent discount on parking spaces in MFTE housing developments. She asked the City to cap rent increases for MFTE housing units at three percent. She thanked Councilmembers for their service to the community.
- (d) Pearl Leung, representing Amazon, expressed support for the proposal developed by the Eastside Housing Roundtable, which includes private sector entities and nonprofit housing builders and supporters, regarding the City's MFTE program. She said the dialogue might not have come together had it not been for the mayor's encouragement to collaborate and to consider all ideas for updating the program. Ms. Leung encouraged the Council to adopt the 80-percent AMI standard for MFTE housing units. She said that is the most important step in generating affordable units for working families. She

expressed support for incentives to create two-bedroom and larger units and encouraged the Council to increase the eligibility threshold for layered incentives from 50 percent AMI to 65 percent AMI. Ms. Leung expressed support for the proposal to cap rent increases at three percent per year for MFTE units and to partially subsidize parking costs. She said Amazon supports providing a parking discount in areas outside of the downtown. However, transit ridership is encouraged for downtown residents. Ms. Leung thanked the Council and staff for their collaboration.

- (e) Heidi Dean expressed concern that a luxury home builder is buying homes in the Newport Hills, Lake Hills, Eastgate, and Spiritridge neighborhoods with plans to replace them with much larger houses. She said the company has already purchased and/or redeveloped 15 homes in the Eastgate area. She said there are currently three large homes under redevelopment within a two-block radius of her home that are replacing Bellevue's affordable housing. She said residents are being asked to support affordable housing initiatives, including increased density and reduced parking requirements, while affordable housing is being destroyed. She said her husband regularly receives letters, phone calls, and texts from builders who are interested in purchasing homes for redevelopment. She said one developer seems to be convinced that her 18-year-old son owns their home and has been calling and texting him.

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

6. Report of the City Manager

- (a) Bellevue School District Update

City Manager Brad Miyake introduced Dr. Ivan Duran, Superintendent of the Bellevue School District (BSD), to provide an overview of the district's return-to-school efforts and plans for the fall.

Dr. Duran thanked Mayor Robinson for her involvement with the governor's return to school planning. He thanked Councilmember Stokes for participating on the superintendent's advisory council, which was established to review the district's budget. He said elementary school students have partially returned to the classroom and secondary students will return following spring break. Dr. Duran said the district continues to follow the COVID distancing guidelines. He expressed concern regarding the mental health and wellbeing of students.

Dr. Duran said there have been some cases of COVID in schools but no outbreaks, and the district has risk mitigation strategies in place. He said 16-year-old students are now eligible for the vaccine, which is another layer of mitigation for ensuring safe schools. He said the district is working to create some type of virtual learning options for 9th through 12th grade students. Dr. Duran said it is important to continue to wear face masks and to practice physical distancing to avoid an increase in cases.

Turning to the budget, Dr. Duran said the BSD will receive federal funding for emergency relief and pandemic-related expenses. He said the pandemic has impacted all students, including

special education students, as well as language services. He said the district has spent approximately \$25 million on COVID-related items including supplies and staffing. Dr. Duran estimated that it will take 3-5 years for the budget to recover. He said enrollment has decreased by 800 students and the district anticipates the loss of another 600 students next year. He attributed this to a number of issues including the high cost of housing, parents working at home, and a reduction in international work visas.

Dr. Duran highlighted a report from the superintendent's advisory group of community members, business leaders, students, and educators who were asked to review the district's strategic plan. The report recommends significant investments in social, emotional, and mental health support as well as academic support (e.g., tutoring). Dr. Duran said the district is looking at ways to provide extracurricular enrichment opportunities and to support families. The district is also considering universal preschool to better prepare students for school and is exploring ways to increase social connections and to focus on social and emotional needs.

Dr. Duran thanked Mayor Robinson and the Council for their collaboration with the district.

Mayor Robinson thanked Dr. Duran for the update.

(b) Briefing on the Federal American Rescue Plan Act

Mr. Miyake said the City is anticipated to receive \$20.7 million over the next two years to address pandemic-related impacts. The federal government will provide guidance in May regarding the acceptable uses for the funds as well as how the City might access additional federal funding. He said staff will update the Council and the community as more information is provided.

7. Council Business and New Initiatives: None.

8. Consent Calendar

→ Deputy Mayor Nieuwenhuis moved to approve the Consent Calendar, and Councilmember Robertson seconded the motion.

→ The motion to approve the Consent Calendar carried by a vote of 6-0, and the following items were approved:

(a) Council Minutes

Minutes of April 5, 2021 Regular Meeting

(b) Motion to approve payment of claims and payroll for the period March 1, 2021 - March 31, 2021.

(c) Resolution No. 9923 authorizing execution of an amendment to the funding agreement with Eastside Pathways in an amount not to exceed \$400,000.

9. Public Hearing

- (a) Resolution No. 9924 authorizing the execution of documents necessary to release a portion of an existing sewer easement and the entirety of a construction easement located at 12855 Coal Creek Parkway SE which have been declared surplus to the City's needs and are no longer required for providing continued public utility service; the granting and recording of such release being deemed in the best interest of the public.

Councilmember Robertson recused herself from participating in this agenda item, noting that her husband's business works with the property owner involved in the requested release of easements. She noted that she is a co-owner of her husband's business. While she is not actively involved with the business, Ms. Robertson said she would like to recuse herself to avoid any appearance of a conflict of interest. She said she would leave the meeting and return when notified by the City Clerk.

Councilmember Robertson left the meeting.

Ira McDaniel, Real Property Division Manager, said that Resolution No. 9924 reflects a request to release a portion of a sewer easement and the entirety of a construction easement located at 12855 Coal Creek Parkway SE. He presented a map of the site. The property is being redeveloped and the owner is relocating the portion of the sewer easement within their property.

Mr. McDaniel said the property owner requested that the City remove the old construction easement from their title. The easement was only intended for the initial construction of the line in the 1980s.

Mr. McDaniel requested Council action on the resolution following the public hearing.

- Deputy Mayor Nieuwenhuis moved to open the public hearing, and Councilmember Lee seconded the motion.
- The motion carried by a vote of 6-0.

City Clerk Arredondo noted that the City did not receive any written comments regarding the proposed resolution.

Heidi Dean asked whether the easements will have any impact on Coal Creek. She noted that a resident in the area cannot add a bathroom to his home due to its proximity to the creek.

- Deputy Mayor Nieuwenhuis moved to close the public hearing, and Councilmember Lee seconded the motion.
- The motion carried by a vote of 6-0.

Mayor Robinson asked staff to respond to Ms. Dean's question. Sean Wells, Development Review Manager, Utilities Department, said the sewer line currently cuts through the property. The future alignment of the sewer will be parallel to Coal Creek Parkway. Mr. Wells said the proposed project does not alter the sewer capacity of the area.

→ Deputy Mayor Nieuwenhuis moved to approve Resolution No. 9924, and Councilmember Lee seconded the motion.

→ The motion carried by a vote of 6-0.

10. Study Session Items

(a) Report on Development of 2021-2022 Human Services Needs Update

Councilmember Robertson rejoined the meeting.

City Manager Miyake introduced discussion regarding the Human Services Needs Update process. Staff is seeking Council feedback regarding additional elements that Councilmembers would like to be included in the report, which will be presented to the Council early next year.

Toni Esparza, Assistant Director, Parks and Community Services Department, said the report provides comprehensive data regarding human services needs in Bellevue and is one of the primary sources of information used by the Human Services Commission to guide their funding recommendations.

Christy Stangland, Human Services Planner, said staff is seeking Council input regarding the development of the 2021-2022 Human Services Needs Update. The Human Services Fund provides grants to agencies that provide direct services to members of the community. Ms. Stangland said the request for proposals (RFP) will be issued in March 2022 and applications will be due in April. During the last regular funding cycle, the City received applications totaling \$7 million for the \$4.1 million in available funds.

Ms. Stangland noted the Human Services Commission's focus on equity and prioritizing funding to historically underserved communities. She said the City establishes performance-based contracts with agencies, and staff regularly monitors performance and outcome measures through quarterly reports and program reviews. The Human Services Division allocated \$3.9 million since the beginning of the pandemic, outside of the normal funding cycle, to address critical needs including emergency financial assistance, low-barrier shelter, food, mental health services, domestic violence services, child care, and legal services.

The Human Services Fund provides financial support to a broader continuum of services including youth programs, services for people with disabilities, employment assistance, adult education, housing, support programs, English language learning (ELL) classes, and physical health. This requires comprehensive and thorough data gathering to ensure that a broad array of needs are captured in the report and that the diverse populations of immigrants, people of color, individuals with disabilities and their caregivers, and the LGBTQ community are represented.

Ms. Stangland said that staff and the Human Services Commission continually review the City's practices to ensure that they are accessible and equitable.

Ms. Stangland recalled that the Council has asked in the past about how the City measures the effectiveness of agencies that receive financial assistance. Agencies submit quarterly reports including documentation for the funds spent on approved services and the number of Bellevue residents served by the agencies. A narrative report provides client stories and descriptions of successes and challenges experienced by the agency. Agencies that receive funds from the City submit a year-end report that includes all quarterly report items, an outcomes report, and demographic information. City staff conduct agency site visits and work closely with agencies if they are not meeting their quarterly services unit goals.

Ms. Stangland said the Human Services Needs Update is a compilation of quantitative and qualitative data from a wide range of sources. It provides an analysis of health and human services trends and issues that affect the quality of life for Bellevue residents and explores how the City can best prepare for changes in human services in a quickly changing environment. The report will guide the recommendations of the Human Services Commission for the allocation of 2023-2024 Human Services Fund grants. The report provides information for service providers, community groups, and regional planning efforts. The report's areas of focus include housing stability, food security, safety from violence and abuse, health care, education and job training, and services that target special populations (e.g., older adults, people with disabilities, refugees and immigrants, children and youth, and veterans).

Ms. Stangland said that the impacts of the COVID pandemic will be a special focus area for the next Human Services Needs Update. This year the report will include a section in each chapter to identify possible disproportional impacts on human services needs for residents based on race. The report will provide data related to the intersection of race with each topic.

The development of the Human Services Needs Update includes phone and online surveys, more than 30 community conversations, provider surveys, and consumer surveys. The latter will be provided in a number of languages: Russian, Spanish, Korean, Vietnamese, simplified Chinese, and English. The process will prioritize community conversations and consumer input from historically underserved communities including the LGBTQ community, persons with disabilities, individuals experiencing homelessness, and the BIPOC (Black, Indigenous, and People of Color) community.

Ms. Stangland said that data collection will continue through the summer and a draft report will be submitted to the Human Services Commission in November. The findings will be presented to the Council in January 2022 and the report will be made available online beginning in February.

Deputy Mayor Nieuwenhuis, liaison to the Human Services Commission, thanked the Human Services Commission and staff for all of their work, including the enhancements related to data collection and analysis. Responding to Mr. Nieuwenhuis, Ms. Esparza confirmed that staff gathers input from the Fire Department and Police Department as well as the probation division and the legal department. In further response, Ms. Esparza said staff maintains ongoing

communications with service providers to keep abreast of current needs and participates in regional forums.

Councilmember Barksdale thanked staff for their work and holistic approach, including looking at the intersectionality of race and human services needs. Responding to Mr. Barksdale, Ms. Esparza said that issues around race will be studied through data collection and analysis to ensure that services are reaching those in the community who are the most disproportionately impacted by the pandemic and other factors.

Councilmember Lee said he has always respected the work of the Human Services Commission and staff on the Human Services Needs Update. He said it is important to be responsive to current needs and to focus on capacity building. He noted restrictions on the use of certain COVID-related funding from the federal government and said he hopes the City can be given more latitude in the future for funding new agencies. He asked how the City is responding to the need to build capacity. He said he wants to be sure that the pandemic does not distort the City's long-term assessment of traditional needs.

Mr. Lee noted that information is provided in simplified Chinese and asked about traditional Chinese. Mr. Stangland said the languages chosen for translation are the most frequently spoken languages in Bellevue and were recommended by the City's diversity staff. Mr. Lee said the City's website also provides information in traditional Chinese. Ms. Stangland said she would add the language to the translations. Human Services Manager Alex O'Reilly said simplified Chinese was selected for the translation of the online and phone surveys. However, it is possible to add other forms of Chinese as well.

Councilmember Zahn thanked staff for their work and suggested that the Human Services Needs Update is valuable for the region as well. She appreciates the collection of both qualitative and quantitative data. She thanked staff for adding the focus on racial disparities. She appreciates the continued use of the simplified funding application process.

Ms. Zahn asked whether new community organizations or other partners have emerged to address needs during the pandemic. She expressed concern regarding the needs of students and parents. She asked whether the challenges for small businesses falls into the area of human services. She asked how the federal COVID funding will be used to address evictions and mental health needs.

Ms. Esparza said that federal Community Development Block Grant funding will help to address the COVID-related needs. The monies have enabled the City to fund new partners including Centro Cultural Mexicano for rent assistance and the YMCA for rent and food assistance. Ms. Esparza noted that the Council recently funded Centro Cultural Mexicano for the first time. The City has provided financial assistance to the YMCA in the past, but not in recent years.

Ms. Esparza said staff of the City's Wraparound Services Program work with the Bellevue School District and provide input into the needs of students and families. She said the impacts of the pandemic on small businesses are not addressed directly through human services funding.

Ms. O'Reilly said that human services staff has had several conversations with economic development staff, who are hearing from local businesses about the need for child care. She said that offering scholarships for child care is a priority for staff and the Human Services Commission. She said economic development staff have been referred to subject matter experts to explore the issue of child care and possible solutions.

Mayor Robinson asked whether the City is collecting general data on the number of people and the demographic profile of those who have received rental assistance. Ms. Esparza confirmed that the information is collected and does not identify specific names or households. Ms. Robinson asked whether there are estimates regarding how many people will continue to need rental assistance when the eviction moratorium ends. Ms. Esparza said she was not aware of estimates regarding households in danger of eviction.

Responding to Ms. Robinson, Ms. Stangland said the surveys include questions about the impacts of the pandemic on individuals and households. Mayor Robinson said it would be helpful to be able to prepare for the eviction impacts. Ms. Stangland said that City staff meets with a group of nonprofit service providers. She suggested that their information regarding waiting lists and the volume of individuals served will be helpful.

At 7:20 p.m., Mayor Robinson declared a short break. The meeting resumed at 7:30 p.m.

(b) Multifamily Tax Exemption (MFTE) Program Update

City Manager Miyake introduced discussion regarding the City's process to update the Multifamily Tax Exemption (MFTE) program.

Mac Cummins, Director of Community Development, noted the ongoing Council discussions and the public feedback that has been received regarding the program.

Mayor Robinson said the City has received a great deal of public input from both developers and affordable housing advocates, some of which has been conflicting feedback. She said she asked representatives of developers, businesses, and affordable housing groups to work together to determine whether they could build consensus around a recommendation for the Council. She thanked the Chamber of Commerce for convening the groups and all of the participants in those groups. Today the City received a recommendation from the Housing Development Consortium and the Chamber, which includes some of the recommendations and options presented by staff. Mayor Robinson asked whether the Council was interested in discussing the elements of the recommendation.

Ms. Robinson said the first issue is alternatives to two-bedroom units for projects that do not meet the existing family-sized unit requirement that 15 percent of an MFTE project be two-bedroom units or larger. One recommendation, consistent with staff's recommendation, is to offer an additional five percent of units, totaling 25 percent of units, that are affordable for 80 percent area median income (AMI) households. The second recommendation is to maintain the existing 20 percent of units at 80 percent AMI.

Councilmember Robertson said that staff's proposed revision to the second recommendation is to lower the 80 percent AMI requirement for affordable units to 70 percent AMI. The joint recommendation from the development community and nonprofit community proposes that the AMI for two-bedroom units remain at 80 percent AMI, even if the threshold is dropped to 70 percent AMI for one-bedroom and studio units. Councilmember Robertson expressed support for the latter proposal. Mayor Robinson thanked Ms. Robertson for the clarification.

Councilmember Lee concurred with Councilmember Robertson.

Mayor Robinson noted a Council consensus to bring the alternatives back for potential Council action.

Responding to Councilmember Barksdale, Mr. Cummins said staff will prepare a comparison of how the alternatives relate to the original MFTE plan and other aspects of the program.

Councilmember Zahn asked staff to display for the public the letter to the City Council that describes the recommendations for consideration.

Ms. Robinson said the second issue is layered and stacked incentives. The proposal is to increase the AMI level for layered incentive units from 50 percent AMI to 65 percent AMI. The developer may stack the benefits to produce 20 percent MFTE units and eight percent other incentive units, for a total of 28 percent of the units at 80 percent. Or the developer may layer the MFTE program and another incentive to produce 20 percent affordable units, with a portion of the units using both MFTE provisions and an incentive bonus. During the MFTE period, 12 percent of the units (the unlayered units) would remain at 80 percent AMI, and eight percent of the layered units would be at 65 percent AMI.

Mr. Cummins said staff is looking at the issue through the lens of not just how the two programs work but also in addition to the rent stabilization concept, which is the next issue. He noted the potential for a greater public benefit when strategies are combined.

Councilmember Robertson recalled that when the Council last discussed the layered or stacked options, there were four Councilmembers who wanted to keep the threshold at 80 percent AMI. Ms. Robertson said she wanted to be sure tonight about the percentage of deeper affordability that should come back to the Council to move forward. She would like to keep the requirement at 70 percent AMI. She said it is very difficult for a developer to produce housing at 60-65 percent AMI. Ms. Robertson said she believes it should not go lower because one of the goals of amending the MFTE code is to have greater utilization of the program. She noted that rent stabilization is a positive contribution on behalf of the development community.

Ms. Robertson opined that if the Council prefers deeper affordability, she prefers keeping the units at 70 percent AMI or above. She suggested that the developer community would not be willing to provide the deeper affordability or rent stabilization without the components of the MFTE program to provide balance.

Mayor Robinson acknowledged that the letter of recommendations is a compromise in its entirety. She observed that 65 percent AMI is a compromise between 50 percent AMI and 70 percent AMI. She expressed support for using 65 percent AMI for deeper affordability.

Councilmember Lee concurred with Councilmember Robertson's comments.

Responding to Councilmember Barksdale, Mr. Cummins said the MFTE program was intended to be used for both 80 percent AMI units and deeper affordability units. However, as the City identified other funding programs to help with some of the deeper affordability units, the policy question is whether the City should be using the MFTE program for 80 percent AMI households as workforce housing. Mr. Barksdale said he wants to ensure that the combination of the MFTE program and other City affordable housing programs reach all AMI levels. He noted a preference for 60 percent AMI instead of 65 percent AMI for deeper affordability units.

Councilmember Zahn said she appreciated the recommendations. She said it is important to have a number of tools for producing affordable housing. She noted that HB 1590 funds focus on housing for households below 60 percent AMI, and the MFTE program is focused on 80 percent AMI households. She said it would be good to fill the gap between 60 percent and 80 percent AMI units. However, she understands that all of this is part of a bigger package. She wants to ensure that the City's goal is to maximize the use of the MFTE program and incentives. She suggested that offering more options provides greater flexibility. She concurred with Councilmember Barksdale's preference for 60 percent AMI units. However, she understands that 65 percent AMI might be a necessary compromise given the overall code.

Deputy Mayor Nieuwenhuis agreed that it is important to have a range of tools to address affordable housing needs. Responding to Mr. Nieuwenhuis, Mr. Cummins said there are different types of tax credits, and many programs use either 30 percent AMI or 60 percent AMI as thresholds.

Mr. Nieuwenhuis said he would prefer an incentive for 70 percent AMI units. However, he could support 65 percent AMI as well. He thanked Mayor Robinson for her leadership in encouraging the coordination between stakeholders. He thanked the group for their work and expressed support for their recommendations. He said that everyone is making compromises in terms of their preferences and interests.

Moving on, Mr. Cummins described the recommendation related to rent stabilization that supports the proposal offered by the Eastside Housing Roundtable to cap MFTE unit rent increases for existing tenants at three percent annually.

Mayor Robinson said she appreciated that this is a tremendous compromise by developers.

Councilmember Lee expressed support for providing predictability for tenants and thanked the group for their good faith, socially responsible proposal.

Councilmember Robertson thanked Mayor Robinson for her leadership in encouraging stakeholders to work together. Ms. Robertson expressed support for the proposal, noting that she

is not aware of a similar provision in any other MFTE programs. She observed, however, that the cap on rent increases will not work if deeper affordability units are priced below 65 percent AMI. Ms. Robertson thanked the development community and affordable housing groups for offering the proposal, which will produce a strong benefit for the community.

Mayor Robinson concurred that the City wants to produce as much affordable housing as possible while making it feasible for developers.

Councilmember Zahn said she appreciated the creativity and thoughtfulness reflected in the recommendations.

Mayor Robinson said the fourth issue is parking requirements. The recommendation proposes that renters of MFTE units outside of the downtown who choose to rent a parking stall would receive a 30-percent discount below the market rate. Landlords would not be required to set aside parking spaces for MFTE units but would be required to rent stalls on a first come-first served basis and would not be allowed to prioritize market-rate tenants over MFTE tenants.

Responding to Ms. Robinson, Mr. Cummins said the building owner typically determines the market rate for parking facilities. The discount would be given only to tenants who use the parking and not to all MFTE renters in the building.

Responding to Councilmember Zahn, Mr. Cummins said there are areas of Bellevue that are ready to transition to decoupling housing rental costs from parking due to the proximity of transit service, grocery stores and other services, and jobs. Staff has determined that the Downtown is already in that position, especially with access to transit.

In further response to Ms. Zahn, Mr. Cummins said that ARCH (A Regional Coalition for Housing) is the administering agency and member cities work with ARCH to create consistency. Mr. Cummins noted, however, that Bellevue is very different than some of the other Eastside communities in terms of construction costs, parking costs, and development densities.

Councilmember Lee said that one goal is to provide travel options that discourage the use of cars. He expressed support for the opportunity to decouple rent from parking costs for people who do not have a car. He noted that certain areas of Bellevue make it necessary, or at least more convenient, to have a car. He said the recommendation allows individuals to choose whether to have a car or not. He believes that decoupling parking and the cost of rent, while offering a parking rate discount, is a socially responsible proposal by the stakeholder group.

Mayor Robinson recalled that the Council previously talked about expanding the MFTE program to all areas of Bellevue that allow multifamily development. However, the Council did not discuss high density zones. She suggested that the Council consider expanding the incentive program to all areas with high frequency transit service (transit connections with four or more stops per hour).

Mr. Cummins suggested that if the Council is interested in considering that option, his staff will work with development services staff to explore the code issues. Mayor Robinson asked staff to bring back more information for discussion with the Council.

Mayor Robinson said the second parking recommendation proposes that developers must perform a parking study and receive director approval to build below the code requirement of 0.75 parking spaces per unit in high frequency transit areas. The recommendation also proposes removing the parking study requirement for projects with MFTE units and reducing the minimum required parking to 0.5 stalls per unit. Mayor Robinson suggested that the second provision apply in high frequency transit zones as well.

Councilmember Robertson said she supports expanding land use incentives to all areas with high frequency transit services, which are already located in existing growth corridors. She expressed support for utilizing affordable housing incentives in the Wilburton and East Main areas as they are redeveloped.

Ms. Robertson noted that the interim official control (IOC) regarding minimum parking requirements for affordable housing near frequent transit service expires in May. She would like to see updates regarding parking to the Land Use Code before the IOC expires. She expressed support for the language related to the parking study requirement. Responding to Mayor Robinson, Ms. Robertson said she would like to understand how the second parking proposal would work if applied only to high frequency transit zones.

Moving on, Mayor Robinson said the City has a fee in lieu mechanism for developers to opt out of providing affordable housing. She said that many developers will opt out if the fee is too low. She proposed engaging a third party to evaluate the City's fee in lieu policy and to make recommendations.

Councilmember Robertson said she would be interested in a review of the fee in lieu policy as well. She said she has heard suggestions from developers about allowing them to transfer the affordable housing requirement to another project of theirs in Bellevue or even to another developer's project.

Mayor Robinson summarized the issues that the Council would like staff to bring back for further consideration. She recalled the interest in evaluating the impacts of the different AMI levels (i.e., 60 percent, 65 percent, or 70 percent) as they relate to layered or stacked incentives. She noted general interest in providing two-bedroom units for 80 percent AMI households. She noted a Council consensus supporting the three-percent cap on annual rent increases and discounted parking for MFTE tenants. With regard to the parking study requirement, Ms. Robinson noted the interest in understanding the impact of expanding all incentives to all areas with high frequency transit service. She noted the Council's interest in a review of the affordable housing fee in lieu option and a study of the impacts of allowing developers to transfer the affordable housing requirement to another project.

Responding to City Manager Miyake, Mr. Cummins observed that there is general support for moving most of the items forward. However, he said the parking issues would be discussed

separately within the context of the Land Use Code work program. Mr. Cummins said that the transfer of development rights issue and the fee in lieu review could be significant bodies of work. He suggested that staff discuss a scope of work to address those issues and return to the Council for further discussion.

Mayor Robinson said she is comfortable with delaying the transfer of development rights analysis and fee in lieu review and moving forward with the update to the MFTE program.

Responding to Mayor Robinson, Mr. Cummins confirmed that staff will return with an overall package for the Council's consideration that encompasses tonight's discussion and previous input regarding the MFTE program.

11. Land Use: None.
12. Other Ordinances, Resolutions, and Motions: None.
13. Unfinished Business: None.
14. New Business: None.
15. Executive Session: None.
16. Adjournment

At 8:42 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

/kaw