

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Regular Meeting

May 8, 2023  
6:00 p.m.

Council Chambers  
Bellevue, Washington

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

ABSENT: None.

1. Call to Order

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

2. Roll Call; Flag Salute

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

(a) Affordable Housing Week Proclamation

Councilmember Stokes read the proclamation recognizing May 7-13, 2023, as Affordable Housing Week in Bellevue and noted the Council's commitment to ensuring that Bellevue residents can live with dignity in safe, healthy and affordable homes.

Chad Vaculin, representing the Housing Development Consortium, noted numerous events throughout the week related to housing partnerships and solutions. Brady Nordstrom thanked the City for its commitment to creating affordable housing. Jodie Alberts said that private, public and nonprofit partners understand that it takes the entire community and multiple perspectives to address the complexities related to affordable housing needs. She thanked the Council and City staff for their work with the community.

(b) Older Americans Month Proclamation

Councilmember Zahn read the proclamation recognizing May 2023 as Older Americans Month in Bellevue and urged everyone to recognize and celebrate older adults and their contributions to the strength of our community.

Abigail Brown, representing the Bellevue Network on Aging, said that 14 percent of Bellevue residents were 65 years of age or older in 2019. She encouraged older adults to embrace opportunities for change and to not let age define their limits. She noted the importance of continuing to learn, forming relationships and staying engaged in the community.

Mayor Robinson thanked Ms. Brown for her service.

(c) Bike Everywhere Month Proclamation

Deputy Mayor Nieuwenhuis read the proclamation recognizing May 2023 as Bike Everywhere Month in Bellevue and May 19 as Bike Everywhere Day. He urged all residents to join in appreciating the benefits of bicycling throughout the year.

Mike Ingram, Senior Planner, Transportation Department, said the City continues to improve and expand its bike facilities throughout the community.

(d) National Police Week Proclamation

Councilmember Robertson read the proclamation recognizing May 11-17, 2023 as National Police Week in Bellevue and encouraged everyone to express appreciation for law enforcement officers and their public service. She recalled Officer Jordan Jackson, who died when his police motorcycle was struck by a car on November 21, 2022, and Detective Thomas Wray, who suffered a fatal heart attack while on duty on January 22, 2002.

Wendell Shirley, Chief of Police, thanked the Council for the proclamation. He said he would be traveling to Washington, D.C., for the National Law Enforcement Officers Memorial Fund's 35<sup>th</sup> annual candlelight vigil on May 13.

3. Approval of Agenda

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

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

4. Oral Communications

City Clerk Arredondo reminded the public that no election-related topics may be discussed during oral communications, including promoting or opposing a ballot measure or candidate.

(a) Paul Clark expressed concern that the temporary action taken by the state legislature in response to the Blake decision expires on July 1, at which point state law prohibiting the possession of drugs, including heroin, methamphetamines and fentanyl, will expire. He urged the Council to adopt an ordinance prohibiting the possession and public use of controlled substances.

- (b) Peggy Price, a Newcastle resident, expressed support for Save Coal Creek's efforts to preserve the old Swanson property as open space. She encouraged the development of a wildlife corridor under Lakemont Boulevard in the Coal Creek area. She said she sees deer and bears on a daily basis. She encouraged the City to add the property to its park system.
- (c) Heidi Dean concurred with Mr. Clark's comments and urged the Council to move forward with adopting an ordinance to regulate drug use.
- (d) Joyce Hansbearry, manager of Ashwood Court apartments, commented regarding the urgent need for more affordable housing, especially for senior adults.
- (e) Patrick Sathyanathan said he has attended three Council meetings to express concerns regarding the Bellevue Police Department. He noted his previous comments regarding police body cameras and said he has been informed that they have been budgeted. He expressed concern about the public's ability to submit complaints regarding the police. He said people in plainclothes have accompanied uniformed police officers when they have visited his home. He was told they are detectives and do not need uniforms.
- (f) Susan Sherman, a resident of Ashwood Court apartments, spoke in favor of the City's efforts to increase the supply of affordable housing in Bellevue. She said she speaks to people daily who are in need of affordable housing, and some cannot even afford Ashwood Court's rental rates.
- (g) Garry Kampen, a Newcastle resident, spoke in favor of Save Coal Creek's efforts to preserve the historic Swanson property for public use. He noted he is the president of Newcastle Trails, a nonprofit organization founded in 1999. He said they have always considered Bellevue to be a model of excellence for park systems. He said the organization has led hundreds of trail walks for the public. He recalled that Mr. Swanson's informal mining museum was a highlight of the area, especially for children. He said a local history entity could carry on with that tradition if the property is preserved. He said the Coal Creek trail is an important regional trail and the Coal Creek Natural Area is one of Bellevue's great treasures.
- (h) Alex Zimmerman spoke against the City's expenditures on bike infrastructure and amenities. He commented regarding the need for affordable housing in Bellevue. He expressed concern regarding the negative impacts of having Amazon in Bellevue.
- (i) Kelly Mutch expressed support for affordable housing and noted that she lives in affordable housing. She said many current affordable housing units are outdated and not well maintained. She said she has been homeless and her needs are minimal.
- (j) Patsy Nair commented on how difficult the open use of drugs in Seattle has been for her daughter, a University of Washington student. Her daughter regularly sees people using drugs on Metro buses and Sound Transit light rail.

- (k) Betsi Hummer quoted statements by John Adams regarding the U.S. Constitution and thanked the Council for supporting the common good in Bellevue.
5. Reports of Community Councils, Boards, and Commissions: None.
6. Report of the City Manager: None.
7. Council Business and New Initiatives
- (a) Remote Participation Request
- Deputy Mayor Nieuwenhuis moved to allow Mayor Robinson to participate remotely in the May 22 Council meeting. Councilmember Robertson seconded the motion.
- The motion carried by a vote of 7-0.
- (b) Request for more than 8 hours of staff work: Prohibiting possession and public use of drugs.

Mayor Robinson noted a request for staff work to address drug laws in Bellevue.

Deputy Mayor Nieuwenhuis said the state legislature was unable to agree on laws to protect the community from the impacts of controlled substance abuse and to help those who are addicted. Following the previous Blake decision, the state legislature made it a misdemeanor to knowingly possess controlled substances. However, that law expires on July 1, 2023. He said Bellevue leads with compassion when addressing substance abuse. However, it is critical to hold people accountable for criminal actions against a community member or business.

Mr. Nieuwenhuis said he would like the City Attorney's Office to begin drafting legislation to adopt an ordinance making it a crime to knowingly possess or publicly use controlled substances in Bellevue. While the governor has called a special session to address this issue, there is no guarantee that legislators will be able to reach an agreement. Mr. Nieuwenhuis said King County is experiencing record levels of overdose deaths.

- Deputy Mayor Nieuwenhuis moved to direct the City Attorney's Office to conduct any necessary research and to provide the Council with potential options to adopt an ordinance making it a crime, misdemeanor or gross misdemeanor, to knowingly possess or publicly use controlled substances (except cannabis) or counterfeit substances. Councilmember Stokes seconded the motion.

Councilmember Barksdale expressed caution against criminalizing individuals with substance use disorders. He said it would be helpful to have an understanding of any disproportionate impacts in the community for public use. He suggested that any ordinance address the number of occurrences for one person as well as to distinguish between possession versus intent to

distribute drugs. He said that, given the burdens associated with criminal violations, he would be interested in programming to address diversion, fines and fees for individuals.

Councilmember Lee said he appreciated Councilmember Barksdale's questions. Mr. Lee said this is an urgent issue and he supports allowing staff work beyond eight hours. He said it is important to be sure that an ordinance will be effective and have appropriate consequences for violations. He suggested considering a gross misdemeanor versus a misdemeanor for drug possession and public use. He encouraged moving forward as quickly as possible, noting that many cities have already taken action.

Councilmember Stokes concurred with the need to address the issue. He said the regulation of controlled substances provides the opportunity to help individuals with substance use disorders. He encouraged a safe community for everyone.

Councilmember Robertson thanked Deputy Mayor Nieuwenhuis for his proposal. She said a number of cities are working together to address the issue. She said drug abuse is a public health crisis and addiction drives criminal behavior. Ms. Robertson suggested making knowing possession a gross misdemeanor and public usage of a controlled substance a crime as well. She said many cities are adopting knowing possession as a gross misdemeanor.

Ms. Robertson said the City of Kent has been a leader in implementing an alternative deferred prosecution program and is using opioid settlement funds to help provide drug treatment. Ms. Robertson said there must be a consequence in the form of a criminal penalty if an individual will not enter treatment.

Councilmember Zahn expressed support for Deputy Mayor Nieuwenhuis' request for further research to identify options. She said it is important to understand what other cities are doing and why.

Responding to Ms. Zahn, City Attorney Kathy Gerla said there is no council meeting on May 15. Depending on the scope of staff's review, staff might be able to provide an update on May 22. Ms. Gerla said this action will be a general ordinance with a 30-day effective date.

Mayor Robinson said she met with a number of mayors and everyone agreed with the need to be consistent with a regional approach. She encouraged staff to study other cities as they develop their recommendations. She said she liked the City of Auburn's recommendation that there be the ability to vacate a criminal record following treatment.

Mayor Robinson suggested that treatment should not be an option. However, where a person receives treatment should be an option. She noted the need for same-day services for mental and behavioral health matters. She asked whether implementing the proposed law makes the City responsible for providing services.

Ms. Gerla said staff will be prepared to talk about the City's current diversion program when they return for the next update. Responding to Mayor Robinson, Ms. Gerla said she would work with IT staff to determine what data is available.

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

8. Consent Calendar

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

→ The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved:

- (a) Council Minutes  
*Minutes of April 24, 2023 Regular Meeting*
- (b) Ordinance No. 6734: 1) authorizing execution of a grant agreement (and supplements if necessary) with the Washington State Department of Transportation (WSDOT) to accept grant funds up to \$ 2,125,000 in federal Surface Transportation Program funding to support the design of the Bellevue College Connection Project; 2) amending the 2023-2024 General Capital Investment Program (CIP) Fund budget to increase appropriation by \$2,125,000; and, 3) amending the 2023-2029 CIP Plan to increase the budget for Bellevue College Connection (CIP Plan No. PW-R-201) by \$2,125,000.
- (c) Ordinance No. 6735: 1) amending the 2023-2029 CIP Plan to increase the budget for 120th Avenue NE Stage 4, NE 16th Street to Northup Way (CIP Plan No. PW-R-186) by \$3,820,000 to reflect federal Surface Transportation Program funding awarded by the Puget Sound Regional Council (PSRC) to support the right of way (ROW) phase of the project; providing for severability; 2) amending the 2023-2024 General Capital Investment Program (CIP) Fund to increase the appropriation by \$3,820,000; and, establishing an effective date.
- (d) Resolution No. 10252 authorizing the execution of a 5-year Software as a Service agreement with Freshworks Inc., to implement and provide an ongoing cloud-based platform for IT Service Management and Customer Service Management software, in an amount not to exceed \$618,090.00, plus all applicable taxes.
- (e) Resolution No. 10253 to facilitate the disbursement of American Rescue Plan Act (ARPA) funding by 1) adopting the Human Services Commission's 2023-2024 ARPA Critical Human Services Needs Funding recommendations and 2) authorizing the City Manager or his designee to enter into contracts with local human services agencies in accordance with the recommendations.

9. Public Hearing

- (a) Public Hearing and Action on Ordinance No. 6736 imposing a temporary and interim official control (IOC) on sections 20.25A.060 and 20.25A.070 of the Land

Use Code (LUC) to increase the residential floor area in exchange for the provision of affordable housing, allow development flexibility when meeting certain affordable housing thresholds, and provide projects with flexibility in utilizing FAR in the Downtown Perimeter Overlay within a single project limit in order to encourage residential development; providing for vesting to this temporary and interim control; reserving the right to adopt permanent regulations; providing for severability; and establishing an effective date.

Diane Carlson, Deputy City Manager, introduced discussion regarding the Next Right Work initiative related to residential floor area ratio (FAR) increases. She recalled that on April 17, the Council and staff discussed the potential for an interim official control (IOC) to temporarily increase the residential FAR allowed in the downtown.

Liz Stead, Land Use Director, Development Services Department (DSD), asked the Council to consider adopting the proposed ordinance following the public hearing. She said additional options are provided for consideration as previously requested by the Council.

Mathieu Menard, Senior Planner, said the goal of the Next Right Work initiative is to increase the production of market-rate and affordable housing. The Council initiated three actions in 2022: 1) micro apartments, 2) reduced fees for building affordable housing, and 3) FAR increase incentive. Two additional actions initiated in January 2023 relate to middle housing and streamlining the permit process.

Phase 1 of the IOC is limited to the downtown. The intent is to quickly respond to application-ready projects and to test the FAR increase to make sure that, as the City moves into developing permanent regulations with Phase 2, the initiative meets the City's intent. The objectives of the IOC are to encourage residential development, increase the production of affordable housing and to allow application-ready projects to move forward. Mr. Menard said three tools are proposed to meet the objectives: 1) higher FAR for residential development that provides affordable housing, 2) development flexibility for projects with affordable housing and 3) flexibility in FAR utilization within the downtown perimeter.

Mr. Menard highlighted the timeline of phases 1 and 2, leading to the adoption of the final Land Use Code Amendment (LUCA) in Spring 2024.

Mr. Menard said staff recommends: 1) increasing the exempt FAR allowed for downtown districts, 2) increasing development flexibility and 3) allowing perimeter overlay FAR flexibility. He said that currently one FAR is allowed to be exempt if the ratio of affordable housing to market-rate housing is 1:2.5 units. Staff encourages increasing that to 50 percent of the base FAR in the district.

Increased development flexibility includes a height increase, stepback reduction and lot coverage increase in the perimeter overlay area. No minimum parking facilities are required for affordable housing units in the downtown. Mr. Menard said staff proposes a perimeter overlay FAR flexibility tool. He said the City has heard from a number of developers that, with the form standards in the perimeter overlay district, they are not able to achieve the desired FAR. This is

hampering the development of housing in those areas. Mr. Menard said staff proposes allowing developers to move some of the unused FAR capacity to outside of the perimeter overlay area, if they have a project that transcends those districts.

Mr. Menard said the discussion with stakeholders focused on the desired ratio of market-rate to affordable housing units. As mentioned above, the current ratio is 2.5 square feet of market-rate housing for every square foot of affordable housing (2.5:1). The Eastside Affordable Housing Coalition's preferred ratio is 3:1. Staff proposes a ratio of 4:1. The Bellevue Chamber of Commerce indicated a preferred ratio of 6:1.

Mr. Menard recalled that on April 17, the Council provided direction on a number of items including outreach to neighbors, urban design impacts, applicability across the downtown for stepback elimination, and measuring the success of the IOC policies. He said details regarding the IOC were provided in the meeting's agenda packet as well as to the Downtown Residents Association, Vuecrest Owners Association and the Old Bellevue Merchants Association. He said staff met with Bellevue Downtown Association (BDA) staff to answer questions and provide information.

Mr. Menard said the Vuecrest Owners Association requested that the stepback in A-1 areas be eliminated. There was also a request to remove the IOC from regulating the A-1, B-1 and B-2 overlay areas. He said input from a developer in Old Bellevue requested increasing the maximum building height to 150 feet to allow concrete construction. He said there was input from residents requesting that the stepback reduction in Old Bellevue be eliminated on Main Street. Mr. Menard said staff met with the BDA to provide an update on the project.

Mr. Menard said staff analyzed the impact of a height increase and the stepback reduction. Staff believes that the impacts to neighbors and the pedestrian environment will be minimal. The Land Use Code currently requires variations in building facades and street level amenities and allows for stepback reductions. Mr. Menard said neighbors have been contacted for input. He said the Vuecrest Owners Association has requested that the adjacent stepback reduction to Vuecrest be taken out of the IOC.

Mr. Menard referred the Council to the meeting packet for amendment language proposed based on the previous discussion with the Council. Option 1 removes the stepback reduction in Perimeter Overlay District A-1 only. Option 2 removes the stepback reduction in Perimeter Overlay District A-1 and on Main Street through Old Bellevue. In addition, optional language was provided to remove A-1 and Old Bellevue from the IOC regulations.

Mr. Menard recalled the Council's interest in how the program will measure success. He said the current downtown program is not well utilized and, therefore, an increase in the use of the program will be one measure of success. Staff will collect feedback from developers on the impact of the IOC as projects move through the permitting process. Mr. Menard recalled that the initiative was launched on December 12, 2022 and the Council previously discussed this issue on April 17.

Mayor Robinson thanked staff for the presentation.

→ Deputy Mayor Nieuwenhuis moved to open the public hearing, and Councilmember Stokes seconded the motion.

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

City Clerk Arredondo said that notice of the public hearing was published in the City's permit bulletin and The Seattle Times. The Council received five written comments that are included in the evening's desk packet.

1. Jodie Alberts, representing the Bellevue Chamber of Commerce, thanked the City for involving them in the IOC stakeholder process. She encouraged the Council to move forward with the IOC as proposed, with the consideration of adding two items during Phase 2: 1) increase in market-rate to affordable housing ratio, and 2) application of the connected floorplate departure to structures of up to 95 feet. She encouraged the City to involve Chamber representatives when evaluating the performance of Phase 1 of the IOC. She said the Chamber looks forward to continuing to work with the City.
2. Rebecca Von der Burg said she lives in the Vuecrest neighborhood and has worked in Bellevue for more than 30 years. She expressed concern regarding the buffer between an established neighborhood and high-density housing, especially on 100<sup>th</sup> Avenue NE. She believes that not enough has been done to address traffic congestion, parking and short-term stops of additional vehicles. She expressed concern regarding the shade created by taller buildings, privacy and the lack of parking requirements for affordable housing. She suggested that low-income residents should have access to free or reduced cost parking.
3. Chad Vaculin, representing the Housing Development Consortium and the Eastside Affordable Housing Coalition, said they appreciate the intent of the Phase 1 IOC to increase the production of housing. He thanked the City for the opportunity to engage in discussions. He said the IOC provides the foundation for permanent regulations. He encouraged the Council to enact a framework for mandatory inclusionary zoning in the downtown and mixed use zones in the future LUCA, with a flexible fee in lieu option. He suggested that mandatory inclusionary zoning is more likely to produce affordable housing than incentive zoning. He spoke in support of a 3:1 market-rate to affordable housing unit ratio. He expressed support for the ability to utilize the FAR incentive in conjunction with the multifamily tax exemption (MFTE) program. He encouraged the City to explore home ownership programs as well.
4. Cindy Ju, representing Hines, said they are the developers of the Main Street Place mixed use project in downtown Bellevue. She thanked the Council and Development Services Department (DSD) staff for recognizing the importance of adopting the IOC as quickly as possible to address the severe housing shortage in Bellevue. She said the proposed residential FAR creates a strong incentive for developers to add more housing, including affordable units. She noted the close proximity of transit service to Main Street Place. She expressed support for the adoption of the proposed IOC.

5. Matt Jack, representing the BDA, expressed support for the proposed Phase 1 IOC. He said the BDA convened a group of stakeholders to review the IOC. He noted the need for a thorough evaluation of the policy impacts.
  6. Jonathan Kagle recalled that the last time he spoke to the Council was six years ago when he commented on the new Land Use Code under the Downtown Livability Initiative. He expressed concern regarding potential unexpected consequences related to the IOC. He said he is Vice President of the Vuecrest Community Association and the area has already been experiencing negative impacts including shadowing and privacy concerns. He said increasing residential building heights across from single-family homes has a significant impact on privacy and causes shade. He asked the Council to take more time to study the impacts before adopting regulations.
  7. Carl Vander Hoek, speaking on behalf of Vander Hoek Corporation, said they have been working over the past one and one-half years on a potential residential development in Old Bellevue. He said the project is application-ready. He noted that the International Building Code (IBC) changes in June will create larger units due to the ADA dimensional clearance requirements but result in fewer units. He said the IBC changes increase construction costs through requirements for thicker concrete, a stricter energy code and other provisions. Mr. Vander Hoek said their project is not achieving the base FAR or base height allowed, which he attributed to the definition of “high-rise.” He said high-rise construction creates additional requirements and added costs. He suggested that, in order to incentivize housing development over office development, the perimeter overlay maximum building height should be lifted to 150 feet in order to make concrete high-rise construction viable. He spoke in favor of retaining the current code for stepbacks on Main Street.
  8. Nicole Meyers observed that the A-1 overlay will have an increase in building height from 55 feet to 80 feet. The amount of affordable housing will be only approximately three percent of the building. She suggested reducing the allowed height or expecting more affordable housing units.
  9. Heidi Dean expressed support for the earlier comments by Vuecrest residents. She said the increase in residential FAR does not appear to generate enough affordable housing to warrant the negative impacts. She acknowledged concerns regarding shadowing and privacy impacts.
- Deputy Mayor Nieuwenhuis moved to close the public hearing, and Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.

Mayor Robinson asked the Council and staff to consider a different option. Referring to the map on slide 13 of the presentation, she suggested removing the Downtown-Old Bellevue district and the Perimeter Overlay A-1 district from the IOC. She recalled longtime efforts to develop the right solution for sensitive areas next to single-family development and to Old Bellevue, which

has a distinctive character. She believes those areas will be more negatively impacted by the IOC and less positively impacted than other areas.

→ Councilmember Stokes moved to adopt Ordinance No. 6736, amended to remove the Downtown-Old Bellevue land use district and the Perimeter Overlay A-1 district from the IOC. Councilmember Robertson seconded the motion.

Councilmember Zahn thanked staff for the additional stakeholder outreach and responses to the Council's previous questions. She concurred with removing the Perimeter Overlay A-1 district from the IOC and said she would like a better understanding related to the Old Bellevue district.

Ms. Stead said the Old Bellevue district includes portions of Perimeter Overlay B-1 and Perimeter Overlay A-2, so a relatively large portion would be excluded from the IOC. She said the Vander Hoek project is currently in design review and the design takes advantage of the proposed FAR increase.

Responding to Councilmember Robertson, Mr. Menard said option 2 outlined in the presentation and meeting packet removes the stepback reduction for the Perimeter Overlay A-1 district and along Main Street in Old Bellevue.

Councilmember Robertson opined that it is fair to allow less in those districts because Main Street and other streets west of Bellevue Way are narrow. She said she sympathizes with residents whose previously sunny yards and gardens become shaded by new development.

Councilmember Stokes said it is difficult to balance the objectives and impacts. He said Old Bellevue is special and taller buildings would negatively impact the area's historical significance and character. He said Bellevue neighborhoods will continue to experience pressure for more housing.

Deputy Mayor Nieuwenhuis expressed support for the motion and for Councilmember Stokes' comments about Old Bellevue. He acknowledged the concerns raised by Councilmember Robertson regarding shade and privacy issues. He said he would like more information on the two options related to stepback reduction.

Councilmember Lee said he would like more information on staff's additional stakeholder outreach. He noted the importance of providing new housing while also preserving existing neighborhood character. He would like longtime residents to be able to stay in Bellevue as they age if they choose.

Councilmember Barksdale asked about the impact on the number of housing units, including affordable housing, of removing the stepback reduction. Mr. Menard said he did not have an estimate on the number of units. However, there would be a reduction in the number of units if the stepback is retained.

Responding to Councilmember Barksdale, Mr. Menard said that any member of the public could request that a land use district be removed from the applicability of the IOC. He said the Old

Bellevue district and the Perimeter Overlay A-1 district were singled out by residents due to their unique characteristics.

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

Councilmember Lee reiterated his interest in ongoing feedback from the public. Mr. Menard said staff has shared all of the public input to date with the Council.

At 8:12 p.m., Mayor Robinson declared a short break. The meeting resumed at 8:25 p.m.

10. Study Session Items

- (a) Fall 2022 Housing Trust Fund Allocation Recommendations by the ARCH (A Regional Coalition for Housing) Executive Board

Mayor Robinson recused herself from participating in this agenda item, noting that her husband works for the King County Housing Authority and she is a member of Holy Cross Church, both of which are involved in ARCH projects. She left Council Chambers temporarily with Deputy Mayor Nieuwenhuis presiding.

Diane Carlson, Deputy City Manager, introduced discussion regarding the fall 2022 Housing Trust Fund recommendations by the ARCH Executive Board and noted that funding is recommended for seven projects.

Linda Abe, Affordable Housing Manager, Community Development Department, recalled that ARCH has been working to provide and preserve affordable housing on the Eastside for nearly 30 years. She said the City's continuing support of the ARCH Housing Trust Fund is consistent with the Affordable Housing Strategy adopted in 2017. She said staff is seeking Council direction to return with legislation approving Bellevue's funding for the fall 2022 ARCH Housing Trust Fund projects.

Lindsay Masters, ARCH Executive Manager, noted a significant increase in the number of funding requests and the diversity of the projects. Approximately \$7.6 million are available and requests totaled \$13.1 million. Ms. Masters highlighted the percentages of contributions from ARCH member cities. She said ARCH works hard to ensure that local investments are leveraged with other funding sources. She said the projects recommended for funding provide a total of 819 housing units addressing a broad range of households based on the area median income (AMI). Nearly half of the units serve households earning up to 50 percent AMI and one-quarter of the units serve households earning up to 30 percent AMI.

Elsa Kings, Housing Trust Fund Manager, provided an overview of five projects recommended for funding: 1) TWG/Imagine Housing, senior affordable housing, Kirkland, 2) Plymouth Housing, Kenmore, 3) ALPHA/Inclusion Homes, multiple locations, 4) BRIDGE Housing, Spring District affordable housing, Bellevue, and 5) Attain Housing six plex, Kirkland. She noted that the City of Kenmore donated land and ARPA (American Rescue Plan Act) funding for the Plymouth Housing project. The inclusion homes serve individuals with intellectual and

developmental disabilities. Ms. Kings said the BRIDGE housing in the Spring District was made possible by a partnership with Sound Transit in which the City donated land for this innovative mixed use and mixed income development. Attain Housing currently operates affordable housing units in Bellevue and Kirkland.

Ms. Kings described two additional projects recommended for funding: 1) Kirkland Heights with the King County Housing Authority (KCHA) as applicant, and 2) Bellevue Homes with Habitat for Humanity as applicant. For the first project, KCHA has purchased and is preserving a large, existing property for the purposes of preserving affordability and increasing density. KCHA will construct three new buildings and add floors to the existing buildings. The Habitat for Humanity project is a partnership with Holy Cross Church, which has been a longtime steward of this property and has committed to preserving the land for home ownership utilizing Habitat's proven land trust model.

Ms. Masters requested Council direction to prepare legislation approving Bellevue's funding for the ARCH-recommended projects.

Councilmember Robertson noted that the cost per housing unit ranges from \$395,000 to almost \$800,000. She said the Kirkland Heights units are the most expensive, despite being a rehabilitation project and not new construction. She expressed concern that the soft costs are \$115,000 per unit.

Ms. Kings said different projects have different constructability requirements, which affects the cost of the units.

Ms. Masters said the advisory board and others spent a significant amount of time discussing the costs for the Kirkland Heights project. She noted that the investment is a relatively small share of the total project costs. Ms. Masters said federal funding for a public housing authority requires contracts with prevailing wages at the federal rate. She said the project has a unique financing structure that in some ways artificially inflates some of the costs in order to gain additional tax credit equity for the project. Ms. Masters said the apartment complex has not been updated since it was built decades ago and renovations must meet the current building codes. She said the project will include the construction of a new building to provide community space for the public as well as other amenities. She said the public works infrastructure will be updated to support the redevelopment.

Responding to Councilmember Robertson, Ms. Masters said the Kirkland Heights project provides large units for families.

Ms. Robertson expressed support for moving forward.

Councilmember Lee said the projects cover a broad range of housing types and needs. He said he shared Councilmember Robertson's concern regarding the per unit cost for some of the housing units.

Responding to Councilmember Lee, Ms. Kings said there have been changes in the construction industry and economy since the pandemic, including increased labor costs and increased interest rates.

Councilmember Lee encouraged staff to be creative and innovative, especially in efforts to identify and preserve existing affordable housing.

Councilmember Stokes said ARCH has a long history with affordable housing projects and he has confidence in staff's abilities. He thanked staff for their work and expressed support for the funding recommendations.

Councilmember Barksdale expressed support for the funding recommendations.

Councilmember Zahn concurred with Councilmember Robertson's concern regarding the soft costs associated with the Kirkland Heights project. Ms. Zahn expressed support for the funding recommendations, especially for projects serving households earning 30 percent AMI or below. She would like to see a senior affordable housing project in Bellevue in the future. She expressed enthusiasm regarding the Spring District housing and Habitat for Humanity homes.

Deputy Mayor Nieuwenhuis said he shared his colleagues' interest in more information regarding the soft costs for the Kirkland Heights project. He concurred with Councilmember Zahn regarding the need for senior adult housing.

→ Councilmember Stokes moved to direct staff to return with legislation approving Bellevue's funding for the fall 2022 ARCH Housing Trust Fund projects. Councilmember Robertson seconded the motion.

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

Mayor Robinson returned to the dais.

(b) Housing Stability Program Affordable and Supportive Housing Funding Allocations

Deputy City Manager Carlson introduced discussion regarding funding allocations for affordable and supportive housing through the Housing Stability Program. In July 2022, the City released its annual capital funding request for proposals (RFP) for affordable and supportive housing. A team of City and ARCH staff evaluated the proposals and are providing recommendations tonight.

Emil King, Assistant Director, Community Development Department, said staff will be seeking direction to return with legislation approving funding allocations for the fall 2022 affordable and supportive housing capital, operations and maintenance proposals.

Mr. King said the Housing Stability Program is in its third year and is funded by a special sales tax identified for this purpose. In July 2022, the Council approved the program framework which

includes: 1) bonding for affordable housing partnership projects and land acquisition, 2) capital projects as well as operations, maintenance and on-site services (OMS), 3) behavioral health and housing related services, and 4) staff support.

Lindsay Masters, ARCH (A Regional Coalition for Housing), thanked the Council for the additional ARCH and City staffing. She introduced Patrick Tippy, Affordable Housing Program Manager, who will be dedicated to helping with the Housing Stability Program in Bellevue.

Ms. Masters said the Housing Stability Program is intended to complement the Housing Trust Fund process and to leverage existing processes. She recalled the funding priorities previously discussed with the Council: 1) preventing homelessness and housing instability, 2) providing housing for households earning up to 30 percent AMI, and 3) providing housing options for vulnerable, underserved populations.

During the first year of the program in 2021, the City issued a request for proposals (RFP) for capital funding up to \$6 million. The City received three applications and \$1.6 million was awarded to LifeWire, whose construction project is already underway. For the 2022 funding round, a RFP was issued for up to \$10.5 million. Four applications totaling \$30 million were received. Staff recommends using \$6.8 million for one award in capital funding (Spring District BRIDGE Housing, \$6 million) and two awards for ongoing OMS funds (Plymouth Crossing at Eastgate, \$606,000 annually; Hope Starts Here, \$208,000 annually). Ms. Masters noted that the grants are five-year awards.

Ms. Kings provided additional details regarding the requests recommended for funding. Plymouth Crossing is the first new permanent supportive housing project in East King County. A total of 95 units will serve vulnerable populations and households earning up to 30 percent AMI. The project has received prior investments from the City of Bellevue and ARCH. The facility will provide enhanced behavioral health services and will partner with the adjacent men's shelter.

The Hope Starts Here project (LifeWire) was the first recipient of a Housing Stability Program capital award. The project will provide 25 units serving vulnerable populations and households earning up to 30 percent AMI. The funding leverages other services and operating funding and supports increased staff capacity and stability.

The Spring District 120<sup>th</sup> Avenue transit-oriented development (TOD) project creates 40 units for households with intellectual and developmental disabilities and integrates the housing and services into a larger mixed-income community.

Ms. Masters requested Council direction to staff to return with legislation approving the funding allocations for the fall 2022 affordable and supportive housing capital and operations/maintenance awards.

Mayor Robinson thanked staff for the presentation. She observed that she could see the Council's values reflected in the funding recommendations.

Deputy Mayor Nieuwenhuis, liaison to the Human Services Commission, expressed support for moving forward. Responding to Mr. Nieuwenhuis, Mr. King confirmed that there will be periodic contract monitoring over the five-year period.

Mr. Nieuwenhuis said he is pleased to see the housing for individuals with intellectual or developmental disabilities. He asked how individuals will be referred to or gain access to those housing units. Ms. Kings said the project is in the early stages of coordinating services.

Councilmember Zahn recalled that the Council voted just two and one-half years ago to utilize HB 1590 revenues. She is pleased to see funding for ongoing operations. She said five-year funding helps to provide stability and reliability for the nonprofit organizations. She said she is glad to see the Spring District housing for individuals who are intellectually or developmentally disabled. She expressed support for the funding recommendations.

Responding to Ms. Zahn, Mr. King said a balance of \$8 million will be left if the funding recommendations are approved. He said the annual collections were \$9.7 million in 2021 and \$11 million in 2022. Ms. Zahn expressed an interest in bonding against future revenues.

Councilmember Robertson expressed strong support for the Spring District project and for the five-year funding term. She recalled the Council directing staff in the past to develop guidelines and best practices for permanent supportive housing that would be shared with providers. She asked whether the guidelines have been used in vetting providers seeking OMS funding.

Mr. King said a community engagement guide for supportive housing was developed and is used by staff. He said the guide is most useful during the early stages of project planning.

Councilmember Robertson said she would like the projects to evaluate the effectiveness of the housing and services in providing stability for individuals. She said she would follow up with staff for information regarding performance measures and accountability. Mr. King said staff will prepare a summary of how the monitoring will be conducted and the specific performance measures.

Councilmember Stokes expressed enthusiasm for seeing the projects moving forward. He thanked staff for their work.

Councilmember Barksdale expressed support for moving forward with the funding allocations and thanked staff for finding projects that align with the Council's priorities.

Councilmember Lee said some residents are concerned about the Plymouth Housing project. He said it will be important to the City and the adjacent neighborhood for the facility to be managed correctly. He encouraged communication with the neighbors.

Responding to Councilmember Lee, Mr. King said Plymouth Housing has extensive experience in the region. Hope Starts Here is a known project and a needed project for Bellevue. He said the Spring District housing is a known project as well. Mr. King said the projects have been vetted as part of the funding process.

Mayor Robinson recalled that there was extensive public engagement regarding the Plymouth Housing project at Eastgate. She said she feels fortunate that the projects involve some of the best providers in the region. She thanked staff for their work and recommendations.

Ms. Robinson suggested that increased human services funding is needed in the future. She encouraged opportunities to generate more funding for behavioral health services. She acknowledged the challenge in finding providers. She suggested exploring the use of HB 1590 revenues for other human services funding.

→ Deputy Mayor Nieuwenhuis moved to direct staff to return with legislation for approval on the Council consent calendar of the funding allocations totaling \$6.8 million for the fall 2022 affordable and supportive housing capital, operations and maintenance grant awards. Councilmember Stokes seconded the motion.

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

#### 11. Land Use

- (a) Consideration of the NCR Building Rezone application submitted by Keaton Hille of Hanson Baker for a rezone of a 3.17-acre site located at 15400 SE 30th Place from Office (O) to Office Limited Business 2 (OLB-2). Permit File No. 22-127108-LQ.

Deputy City Manager Carlson introduced discussion regarding the NCR Building Rezone application submitted by Keaton Hille of Hanson Baker.

City Attorney Kathy Gerla said the application is for a site-specific rezone of property at 15400 SE 30<sup>th</sup> Place to amend the City's generalized zoning map from Office (O) to Office Limited Business 2 (OLB-2). The rezone is consistent with the Comprehensive Plan land use designation.

Ms. Gerla recalled that the code was amended last year to remove the Council from involvement in most quasi-judicial matters. However, state law requires that the legislative body make decisions regarding site-specific rezones, and the courts have identified rezones as quasi-judicial matters.

Ms. Gerla said the Hearing Examiner held an evidentiary hearing and developed a recommendation for the Council's consideration based on the record before the Hearing Examiner. The Hearing Examiner recommended approval of the rezone application. She said staff will seek formal Council action on the rezone on May 22.

Ms. Gerla recommended that Councilmembers disclose any ex parte contacts regarding the rezone application. Councilmembers indicated that they had not had any ex parte contacts.

Ms. Stead noted that the presentation is not in the usual Council format because it is the presentation used before the Hearing Examiner and is included in the record. The application is

for a site-specific rezone of property at 15400 SE 30<sup>th</sup> Place to amend the City's generalized zoning map from Office (O) to Office Limited Business 2 (OLB-2).

Amy Tarce, Senior Land Use Planner, recalled that in 2017, the Comprehensive Plan amended the Eastgate subarea map to change three parcels from O to OLB and the subject property was one of those parcels. She noted a rezone in 2021 of adjacent property from O and Community Business (CB) to OLB-2. She said the property is adjacent primarily to commercial and office uses.

Ms. Tarce said this is a quasi-judicial matter where the Hearing Examiner makes a recommendation to the City Council, who will make the final decision. The applicable State Environmental Policy Act (SEPA) review is the non-project determination of non-significance for the Eastgate Office Comprehensive Plan Amendment (CPA). Ms. Tarce said staff issued the required public notices regarding the rezone request, including to property owners within 500 feet of the project site.

Ms. Tarce said staff hosted an informational public meeting on December 14, 2022, where one member of the public attended. The person did not provide any public comment. There were no members of the public in attendance for the public hearing and no public comments have been received since the time of the notice of application.

Ms. Tarce defined the O and OLB-2 land use districts and noted the commercial and residential properties around the subject property. The parcel is zoned as O while surrounding properties are designated OLB-2.

Ms. Tarce presented a comparison of the existing (O) and proposed (OLB-2) zoning specifications. She said the rezone of the property from O to OLB-2 will increase density and reduce structure setbacks. However, there will be no changes to the lot coverage, maximum impervious surface or the maximum hard surface coverage. She said the transition zone overlay will remain on the property.

Ms. Tarce highlighted the rezone decision criteria. The rezone: 1) must be consistent with the Comprehensive Plan, 2) bear a substantial relation to the public health, safety or welfare, 3) be warranted in order to achieve consistency with the Comprehensive Plan or due to a need for additional property in the proposed land use designation, 4) must not be materially detrimental to uses or property in the immediate vicinity of the subject property, and, 5) should have merit and value for the community as a whole.

Mayor Robinson thanked staff for the presentation.

## 12. Other Ordinances, Resolutions, and Motions

- (a) Ordinance No. 6737 amending Bellevue City Code (BCC) Chapter 9.10, Nuisances, declaring graffiti a public nuisance; providing for severability; and establishing an effective date.

Deputy City Manager Carlson introduced discussion regarding Ordinance No. 6737 declaring graffiti a public nuisance.

Jessica Nadelman, Assistant City Attorney, recalled Council direction to staff on March 6, 2023 to draft an ordinance declaring graffiti a nuisance and to address education and assistance to the public.

Ms. Stead said the proposed regulations will be enforced by Code Compliance staff and enforcement will be based on complaints. She said City staff use a neighborly approach and attempt to achieve voluntary compliance. Education and informational materials are provided in response to complaints about graffiti. Ms. Stead said non-compliance can result in a civil violation and potential enforcement action. The educational materials will include tips for removing graffiti as well as other resources regarding the best building materials to prevent graffiti and how to remove graffiti.

Ms. Stead said Jubilee Reach will assist property owners who do not have the resources to remove the graffiti by themselves.

Ms. Stead said staff proposes returning during the first quarter of 2024 to provide an update regarding the effectiveness of the ordinance. She said staff recommends Council adoption of the ordinance amending Bellevue City Code 9.10 to define graffiti as a public nuisance.

Mayor Robinson thanked staff for the presentation.

Deputy Mayor Nieuwenhuis thanked his colleagues for supporting the ordinance, which he initially suggested during a Council retreat. He thanked the public for their input. He said Code Compliance staff have a strong success record in which 90 percent of their cases are resolved without additional action. He asked about the data to be collected to monitor the impact of the ordinance. He expressed strong support for the ordinance and thanked staff for their work.

Councilmember Zahn thanked staff and expressed support for the ordinance. She suggested that addressing graffiti could be part of the Keep Bellevue Beautiful initiative and provide opportunities for community events. Ms. Stead concurred and said that Mike McCormick Huentelman, Assistant Director of the Community Development Department, is leading the Keep Bellevue Beautiful program.

Responding to Mayor Robinson, the Council concurred with reviewing the data in six months and considering options related to the Keep Bellevue Beautiful program.

- Deputy Mayor Nieuwenhuis moved to extend the meeting to 10:10 p.m., and Councilmember Stokes seconded the motion.
- The motion carried by a vote of 6-1, with Councilmember Robertson dissenting.

Responding to Councilmember Lee, Ms. Stead said Jubilee Reach is the only group that has volunteered to help with graffiti removal. She said staff will continue to look for other organizations who might provide the same type of assistance.

→ Deputy Mayor Nieuwenhuis moved to adopt Ordinance No. 6737, and Councilmember Stokes seconded the motion.

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

13. Unfinished Business: None.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 9:58 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC  
City Clerk

/kaw