

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

July 10, 2023
6:00 p.m.

Council Chambers
Bellevue, Washington

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

ABSENT: Councilmember Robertson

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 except Councilmember Robertson were present. Councilmember Barksdale led the flag salute.

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 6-0.

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) Clifford Cawthon, Habitat for Humanity of Seattle, King and Kittitas Counties, expressed support for the Council's efforts to provide affordable housing. He encouraged the Council to help reduce the cost of developing affordable housing.
- (b) Craig Spiezle, speaking on behalf of Lochleven residents, expressed opposition to staff's preferred alternative for the environmental impact statement (EIS) for the Northwest

quadrant, including the classifications R-Medium and R-High throughout Lochleven. He said he appreciated City staff's work and professionalism. However, Mr. Spiezle said the volume of information related to the EIS is a significant challenge to review. He said the community is still trying to understand the implications of House Bill 1110 and now there is a proposal to increase building heights up to six stories. He said the policies will change the character of Bellevue neighborhoods forever. He said the preferred alternative should not be approved because it conflicts with the Comprehensive Plan and has other potential negative impacts. He asked the Council to preserve Bellevue's great neighborhoods.

- (c) Andrew Calkins, Director of Policy and Intergovernmental Affairs for the King County Housing Authority and Co-Chair of the Eastside Affordable Housing Coalition, expressed support for the permit review and inspection fee reduction proposal for affordable housing construction in Bellevue. He urged the Council to move forward with the fee waiver program to help encourage the development and rehabilitation of affordable housing. He expressed support for the City to maximize SEPA (State Environmental Policy Act) categorical exemptions to reduce development costs, reduce regulatory burden and to bring more affordable units to market faster.
- (d) Jodie Alberts, Bellevue Chamber of Commerce, expressed support for the City's continued efforts to simplify and streamline the permitting process, including for the development of affordable housing. She highlighted Senate Bill 5412, which would allow for all residential, mixed-use projects to be SEPA-exempt if the City chose to do so. She said the Chamber supports studying this approach. She said the Chamber supports the City's Next Right Work initiative to address housing needs. She urged the City to consider streamlining the permitting process for both affordable and market-rate housing projects.
- (e) Barbara Braun said she appreciated the City's current work on housing and the tree canopy. She expressed support for efforts to streamline the permitting process to increase housing supply and diversity. She said it is important to set clear objectives for the SEPA categorical exemptions work so that the permitting of projects does not result in building stock that compromises our values, our equity goals or our sustainability goals. She expressed concern about the impact of the SEPA categorical exemptions on the quality of life in Bellevue.
- (f) Alexa Rehl thanked the Council for approving the full police department budget in November, which she said was a necessary step to keep pace with growth. She said the next step is expanding the department with the best candidates possible. She suggested that Councilmembers participate in a third shift ride-a-long with a police officer this summer to strengthen the department's relationship with the Council. She said third shift officers experience higher levels of physical and mental health issues, and law enforcement officers have a 54 percent increased risk of suicide compared to the general population. She encouraged the Council to get to know Bellevue officers.

- (g) Nicole Myers said she was surprised to learn that Bellevue does not already have expedited permit processing as an incentive for the development of affordable housing. She encouraged the Council to streamline permit processing and to consider protecting trees with a similar mechanism. She suggested that sites that will match the citywide 40-percent tree canopy goal at the time of project completion should be given priority in the permitting process. She suggested giving priority to projects that preserve large, mature trees as well. She expressed concern regarding the future development of potentially 59,000 to 90,000 housing units and taller building heights in Bellevue.
 - (h) Pamela Johnston noted the current efforts related to the Comprehensive Plan periodic update and the Wilburton area planning and implementation initiative. She encouraged enhanced collaboration with residents to identify mutual concerns and solutions. She noted the plan to add 35,000 housing units by 2044. She said more time is needed to engage and educate the public citywide. She asked the City to change its schedule for the Comprehensive Plan update.
 - (i) David Frappier announced that the four King County libraries within Bellevue's city limits have extended their hours. The Downtown and Crossroads libraries are now open seven days per week, and the Lake Hills and Newport Way libraries will be open six days per week. Open hours have been added in the evening and over weekends to better serve the community. Mr. Frappier thanked the Council for its support of the libraries.
 - (j) Patrick Sathyanathan referred to an earlier speaker's comment that the Council should work to strengthen its relationship with the police department, including participating in riding along with officers. He suggested that police officers should work on establishing better relationships with residents. He said while he was walking recently in East Bellevue, a couple of individuals were drinking alcohol and blocking the sidewalk. He said he was able to escape a brief altercation with them. He said he did not call the police. He recalled an incident in 2019 that resulted in police officers arriving at his residence.
 - (k) Alex Tsimmerman said he opposes the Council's limit of 30 minutes of oral communications during meetings. He said he has spoken to elected officials from Everett to Tacoma for more than 15 years, and he alleged that no other jurisdiction has similar rules.
5. Reports of Community Councils, Boards, and Commissions: None.
6. Report of the City Manager
- (a) Review of Bellevue Family 4th Event

City Manager Brad Miyake introduced the update regarding the Bellevue Family 4th event.

Michael Shiosaki, Director, Parks and Community Services Department, said it was good to see Councilmembers at the event, which attracted approximately 50,000 attendees. He thanked the

Bellevue Downtown Association (BDA) for partnering with this event. He said approximately 200 City staff members from multiple departments were involved in the event.

Patrick Bannon, President of the Bellevue Downtown Association (BDA), said the 4th of July event began 31 years ago. He noted the musical performances at the event, including the Bellevue Youth Symphony Orchestra accompanying the fireworks display. He thanked the City, Amazon, PACCAR, Puget Sound Energy, The Bellevue Collection, The Seattle Times and radio station Warm 106.9 for their partnership. He thanked Kemper Development Company for providing free parking and for being the title sponsor of the event. Mr. Bannon thanked staff from the Parks and Community Services Department, Fire Department, Police Department and Transportation Department. He said the Downtown Park provides a fantastic space for community events.

(b) Community Crisis Assistance Team (CCAT) Update

Mr. Miyake introduced staff's update regarding the activities of the Community Crisis Assistance Team (CCAT).

Jay Hagen, Fire Chief, thanked the Council for their ongoing support of the program, which provides mental health professionals to respond to calls with police officers.

Major Alycia McKinney said the Police Department has selected one new sergeant and five new officers to begin training with the CCAT program on July 16. She said she and Natasha Grossman, Bellevue Fire CARES Program Manager, attended the co-responder conference in June and provided a presentation on the CCAT program.

Chief Hagen said the CCAT budget includes nine new positions in the Fire Department to staff CCAT units and to provide case management. The positions include five new mental health professionals (MHPs) to partner with officers. Chief Hagen said there has been an increased demand for MHPs since the pandemic, which is making it a challenge to hire professionals. He said the program is 75 percent staffed and they are actively recruiting additional crisis response social workers. He said officers and MHPs will training together for approximately six weeks. He noted plans to implement the unit beginning on September 1.

(c) Summary of City-initiated Washington, D.C., Advocacy Trip

Genesee Adkins, Chief of External Affairs, described her recent trip to Washington, D.C, with Deputy Mayor Nieuwenhuis and the City's federal legislative consultant. She recalled that the Council adopted a list of 2023-2024 federal priorities on June 12. Ms. Adkins said they met with representatives of Bellevue's four congressional delegation offices. She said Bellevue is seeking support for the B-SAFE 2.0 grant application to the Safe Streets for All program. She noted that the group visited the National Law Enforcement Officers Museum and Memorial to pay their respects to two of Bellevue's fallen officers. Ms. Adkins said Congresswoman DelBene visited a CARES team at a Bellevue fire station last week to learn about the co-responder model used in the CCAT and CARES programs.

Deputy Mayor Nieuwenhuis thanked staff for all of their work in organizing the trip and meetings.

7. Council Business and New Initiatives

Mayor Robinson noted the opening of Plymouth Crossing that day.

Councilmember Zahn said the Plymouth Crossing permanent supportive housing development in the Eastgate area provides 93 housing units with on-site services. She said Governor Inslee and U.S. Representative Adam Smith attended the opening of the facility. Ms. Zahn said the project will be a model for other cities and she looks forward to being able to more effectively address the challenges related to homelessness.

Mayor Robinson said the facility is fully staffed and provides a great way for people to transition from being unhoused.

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 6-0, and the following items were approved:

- (a) Council Minutes
Minutes of June 26, 2023 Regular Meeting
- (b) Resolution No. 10275 authorizing execution of a three-year Professional Services Agreement with KPFF Consulting Engineers, to provide on-call general engineering services for Transportation City and levy funded Capital Investment Program (CIP) projects, in an amount not to exceed \$750,000, plus all applicable taxes, with an option to extend the contract for two years for \$500,000, plus all applicable taxes, with the same terms and conditions.
- (c) Resolution No. 10276 authorizing execution of a three-year Professional Services Agreement with Perteet, Inc., to provide on-call general engineering services for Transportation City and levy funded Capital Investment Program (CIP) projects, in an amount not to exceed \$750,000, plus all applicable taxes, with an option to extend the contract for two years for \$500,000, plus all applicable taxes, with the same terms and conditions.
- (d) Resolution No. 10277 authorizing execution of a three-year Professional Services Agreement with Shea, Carr & Jewell, Inc. (dba SCJ Alliance), to provide on-call general engineering services for Transportation City and levy funded Capital Investment Program (CIP) projects, in an amount not to exceed \$750,000, plus all

applicable taxes, with an option to extend the contract for two years for \$500,000, plus all applicable taxes, with the same terms and conditions.

- (e) Resolution No. 10278 authorizing execution of a three-year extension of the Lease Agreement between Kimschott Factoria Mall, LLC, and the City of Bellevue for the Bellevue Police Community Substation at Factoria Mall.
- (f) Resolution No. 10279 authorizing the release of a public fire line access easement located at 1831 130th Avenue NE that is surplus to the City's needs and is no longer required for providing continued public fire service.
- (g) Resolution No. 10280 authorizing the execution of Supplemental Agreement No. 2 to the Professional Services Agreement with Puget Sound Executive Services (PSES) to provide Uniformed Police for additional flagging, traffic control and security services that are required on Transportation CIP projects, in the amount of \$250,000 for a total contract amount of \$1,000,000.00, plus all applicable taxes.
- (h) Motion to award Bid No. 23037, SE 54th Place and SE 52nd Street Sidewalk (CIP Plan No. PW-R-199, PW-W/B-76, PW-M-1) to New X, Inc. as the lowest responsible and responsive bidder, in the amount of \$485,643.81, plus all applicable taxes. This project is funded by the Neighborhood Safety, Connectivity and Congestion levy, the Neighborhood Sidewalks program and the Pavement Preservation program.

9. Public Hearing

- (a) Public Hearing on the proposed formation of a Transportation Benefit District and associated new Bellevue City Code Chapter 4.22 - Transportation Benefit District

City Manager Brad Miyake introduced the public hearing regarding the formation of a Transportation Benefit District (TBD).

Andrew Singelakis, Director, Transportation Department, said the formation of a TBD is one of several steps in a long process of assessing a potential sales tax or vehicle license fee, determining what the amount should be, and whether the decision would go before the voters.

Chris Long, Assistant Director, Transportation Department, recalled that the impacts of the COVID pandemic required an eight percent reduction in the 2021-2022 budget. As a result, the Transportation Department reduced maintenance expenditures by 20 percent in order to retain other programs. He said deferred maintenance continued into the 2023-2024 budget due to other citywide priorities. At that time, the Council provided direction to staff to consider the creation of a TBD.

Mr. Long said a TBD would provide a dedicated funding source to continue to keep pace with growth and related maintenance needs. He said any revenue collected beyond what is needed for

maintenance would be allocated through the budget process to other Transportation Improvement Plan (TIP) items including neighborhood traffic safety, Vision Zero program and neighborhood sidewalks.

John Resha, Director, Finance and Asset Management (FAM) Department, said a TBD is a quasi-municipal corporation with an independent taxing authority to provide funding for transportation maintenance and improvements. State law regarding TBDs is detailed in RCW 36.73, and TBDs require annual performance and financial reporting. There are 19 TBDs in King County. Some of the districts have formed but have not been funded. Mr. Resha said the proposed TBD is the entire city and the legislative authority can approve the formation by ordinance.

Mr. Long said staff has provided briefings to the Chamber of Commerce and the Bellevue Downtown Association. Staff will continue to reach out to community based organizations and the Bellevue Diversity Advisory Network (BDAN). Information is provided on the City's web site at BellevueWA.gov/transportation-benefit-district and staff will be attending local events to provide information to the public.

Mr. Long said staff is requesting Council adoption of the TBD formation ordinance on July 17, to be followed by a public hearing on September 11 regarding the assumption of the district. The next step will be funding authorization for the TBD.

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

City Clerk Arredondo said the Council received three written comments from the public, which are included in the desk packet.

The following individuals provided public comment:

1. Matt Jack, Policy Director, Bellevue Downtown Association (BDA), expressed appreciation for the City's proactive care of transportation infrastructure. He said the BDA will stay engaged as the Council evaluates the TBD as a possible means to address deferred maintenance needs and future maintenance projects. He encouraged the City to continue its community outreach and public education about the TBD. He suggested addressing issues such as how the TBD will complement other funding sources, indirect or direct costs of implementing a new tax or fee and the criteria for making spending decisions.
2. Heidi Dean expressed concern that the public outreach has been focused on the business community and not on residents. She said if a new tax is added, she wants to ensure that the funds will be used wisely and that there will be accountability. She said this initiative feels rushed and the general public needs to know more about the proposal.

3. Mariya Frost, Transportation Director, Kemper Development Company, said it is important to address the preferred funding mechanism to determine whether it is necessary to form the TBD. She encouraged the Council to consider the current high living costs and existing taxes before adding a new tax. She noted an increase in the sales tax two years ago from 0.85 percent to 0.95 percent for affordable housing needs. The business and occupation (B&O) tax and property tax were increased during the past year, and the neighborhood transportation levy approved by voters provides transportation funding. Ms. Frost referred to information indicating that the annual deferred maintenance need is \$3 million, yet the proposed tax increase would generate \$10 million annually. She said Bellevue anticipates collecting a record high of \$221 million in sales tax revenue for the 2023-2024 budget cycle. Beyond 2024, sales tax collections are forecast to grow by an average of 5.4 percent annually. Ms. Frost asked the Council to direct staff to reevaluate the proposal and to determine whether TBD revenue is truly needed at this time. She said that if the TBD is formed, she suggests creating a TBD project list and spending limitations and submitting the proposal to the voters.
4. Victor Bishop, a retired traffic engineer, said he worked in Bellevue and the region for 57 years. He expressed concern about traffic operations on the arterial street system, as was identified in the draft environmental impact statement (DEIS) for the Wilburton Implementation Plan. The plan identified significant environmental impacts for all alternatives, including the no action alternative, and no mitigation strategies were identified. Mr. Bishop said he fundamentally supports the idea of new revenues to improve the road system in Bellevue. However, TBD funds may be used for a long list of items. Mr. Bishop suggested that the Council direct staff to identify how the funds will be used. He said any new tax should be approved by the voters.
5. Nicole Myers said she walks and rides her bike in Bellevue and she supports the idea of having more funds for more active modes of transportation. She concurred with comments by others that more public education and outreach about the TBD is needed. She said she supports Mr. Bishop's comments in general.
6. Craig Spiegle expressed support for the comments by Ms. Frost and Mr. Bishop above. He concurred with the comments about the lack of a robust public outreach effort. He said an increase in the sales tax is a regressive tax. He said state law provides the alternative of a vehicle license fee and he would like the Council to seriously consider that option instead.
7. Pamela Johnston agreed with other speakers that this is a very important issue and people are not informed about the proposal. She acknowledged the short-term funding needs but questioned whether TBD funding is needed into the future. She encouraged the Council to take the issue to the voters.
8. Leslie Geller, an Eastgate resident, said she had heard about the TBD but did not really know what it was. She said she did not plan to speak tonight but wanted to note her concurrence with many of the speakers' comments.

9. Anne Coughlin expressed concern about the potential for a new tax or fee and the lack of an ending date for the TBD. She said the TBD should be limited in scope and placed before the community for a vote. She urged additional public outreach regarding the TBD.
- Deputy Mayor Nieuwenhuis moved to close the public hearing, and Councilmember Stokes seconded the motion.
 - The motion carried by a vote of 6-0.

Councilmember Zahn thanked staff for the presentation and noted the importance of getting this right. She expressed support for the formation of the TBD as another tool in the tool box. She concurred with earlier speakers that more community engagement is needed to help the public understand the proposal. She said this is the beginning of the process and it is important to proceed at a deliberate pace.

Councilmember Lee acknowledged the need for transportation funding. However, he shares residents' concerns about taxes. He said the City needs to be responsible. He said the City is facing a short-term problem due to the pandemic. However, at the same time, the City's budget has increased. Mr. Lee said it is important to spend the money where it really counts. He suggested listening to public comments about having a plan for the use of the funding and encouraged more robust community outreach.

Deputy Mayor Nieuwenhuis said this is a way to raise revenue to fund deferred transportation maintenance needs following the pandemic. He noted that properly maintaining infrastructure helps to avoid higher replacement costs. He thanked everyone for their comments during the public hearing. He said he does not see this as a short-term need. He said the City's expenses will outpace revenues over the next couple of years. Mr. Nieuwenhuis concurred with others that more robust outreach to residents is needed. He suggested contacting neighborhood associations to set up meetings to help inform the public.

Councilmember Stokes said the TBD will address the transportation needs valued by residents. He said the TBD is a mechanism for funding transportation infrastructure in a way that is more directed and responsive. He agreed with the suggestions for additional public outreach.

Responding to Mr. Stokes, Mr. Singelakis said there is a need now to address deferred maintenance and there is a long list of ongoing transportation maintenance needs.

Mr. Resha said this is one of the few revenue sources that comes with a requirement for annual reporting. The funding is limited to being used for transportation needs in an established transportation plan or program.

Councilmember Barksdale expressed support for moving forward with the formation of the TBD. He said discussions about funding the TBD will occur later.

Mayor Robinson said she is hearing general support for moving forward with the formation of the TBD, knowing that there will be further discussion about whether and how to fund the TBD. She said there is also strong support for increased public outreach, including a suggestion to engage with neighborhood associations.

- Deputy Mayor Nieuwenhuis moved to direct staff to return with an ordinance establishing a citywide Transportation Benefit District and adopting a new Chapter 4.22 to the Bellevue City Code entitled Transportation Benefit District. Councilmember Stokes seconded the motion.
- The motion carried by a vote of 5-1, with Councilmember Lee dissenting.

At 7:40 p.m., Mayor Robinson declared a short break. The meeting resumed at 7:50 p.m.

10. Study Session Items

- (a) Informational Briefing on King County Veterans, Seniors and Human Services Levy

City Manager Miyake introduced the briefing regarding the renewal of the King County Veterans, Seniors and Human Services Levy.

Leon Richardson, Director of the Adult Services Division, King County Department of Community and Health Services (DCHS), said that renewal of the levy is on the August 2023 ballot with a proposed tax of 10 cents per \$1,000 assessed value (AV). The levy is anticipated to generate \$564 million over six years and is evenly split between veterans, seniors and resilient communities.

The six-year property tax levy has been approved by the voters three times since 2005. The five outcome areas are housing stability, financial stability, healthy living, social engagement and service system access and improvement. Mr. Richardson said the program defines a veteran as one day of service regardless of discharge status, and older adults are defined as 55 years or older. He said seniors were added to the levy as part of the last renewal vote.

Mr. Richardson said that since 2018, the levy has served more than 185,000 people including 27,000 veterans, servicemembers and/or their families and more than 100,000 seniors. The levy has funded more than 300 programs led by 150 community based organizations, a third of which are small organizations. Programs funded by the levy built 1,200 affordable housing units and 198 shelter beds and contributed to a 40-percent reduction in veteran homelessness. The levy funded 39 senior centers across the county and helped partners adapt their services and programming throughout the COVID-19 pandemic. The levy helped more than 260 veterans, servicemembers and family members to access more than 15,000 mental health counseling sessions.

The DVHopeline was launched to provide 24-hour, countywide, multilingual domestic violence-related services. Mr. Richardson said the levy funded the first pilot program in the country to

house homeless veterans using collaborative case management that blends rental assistance and supportive services to help veterans remain in stable housing. The levy funded 55 agencies with 675 bonuses to hire and retain critical human services staff. The levy also funds mobile advocacy services for more than 1,200 survivors of gender-based violence. Mr. Richardson said that 75 percent of the programs funded by the levy provide countywide services.

Mr. Richardson highlighted key performance measures used to monitor the contracting organizations and agencies. He noted that 80 percent of the housing stability program outcomes showed a positive housing result, such as remaining housed or finding permanent housing. In the financial stability program, 66 percent of the outcomes showed increases in financial stability through employment, education, public benefit/veteran assistance or other progress on financial goals. Mr. Richardson noted that 76 percent of the healthy living program outcomes showed improved health and well-being. He said 57 percent of the social engagement program outcomes showed reduced isolation, 78 percent of the service system access and improvement program outcomes showed a connection to services through referral or direct services, and 66 percent of the gender-based violence program outcomes showed survivors made progress or met their self-defined goals each year.

Community engagement activities related to the renewal of the levy included 20 community conversations, 20 focus groups/listening sessions, 10 open houses, two summits and more than 15 informational presentations. If funded, the levy will fund permanent supportive housing, including veteran-specific housing, continue to reduce veteran homelessness, expand investments in the human services workforce, double the current funding for senior centers, maintain access to mental health services and deepen community-centered programming for survivors of gender-based violence. Mr. Richardson said that levy funds contributed to the new Plymouth Crossing housing and services in Bellevue.

Mr. Richardson said the levy provides the opportunity to fill gaps in services and to partner with other levels of government to ensure there is a truly connected system. He said King County has the strongest local veterans program in the country. He said King County started the collaborative case management program in partnership with the King County Housing Authority, the U.S. Veterans Administration and housing developers. He said the levy programs provide services to individuals who do not qualify for other programs.

The levy doubles funding for senior centers to sustain programming to provide social connection and to invest in green energy improvements including heat pumps, solar panels and air filtration systems. Mr. Richardson said that during the pandemic, the senior centers initiated online discussions, delivered meals to people's homes and provided most of their programs virtually online.

Mr. Richardson spoke regarding the critical need for investments in training and maintaining the human services workforce. He referred the public to the program web site for more information: www.kingcounty.gov/VSHSL.

Mayor Robinson thanked Mr. Richardson for the update. Responding to Ms. Robinson, Mr. Richardson said the King County veterans center in downtown Seattle was moved to the

Northgate area to increase access via transit and to provide free parking. He said staff continues to explore opportunities to provide more of an Eastside presence.

In further response to Mayor Robinson, Mr. Richardson said his staff has not conducted an analysis to compare levy programs and services with the new statewide long-term care payroll deduction program. He said he would follow up with more information.

Councilmember Stokes thanked King County for their efforts to implement the levy funding and said he looks forward to continued collaboration and partnerships.

Responding to Councilmember Zahn, Mr. Richardson said his staff wants to ensure they are building inflation into the contracts to help give partner organizations the ability to grow. He said the county wants to know from those organizations the true cost of doing business and what it will take to achieve the desired outcomes. He said the renewal levy includes the development of a workforce strategy to help stabilize wages and provide equity for nonprofit organizations.

In further response to Ms. Zahn, Mr. Richardson said there are not enough caregivers in the workforce. Responding regarding increased engagement with the community, Mr. Richardson said he reorganized his division to create a policy and community engagement team. He said they had received feedback that they were not engaging the community enough to better understand needs.

Responding to Ms. Zahn regarding violence prevention, Mr. Richardson said the King County Health Department has a gun violence prevention program. In further response, he said that 75 percent of the contracted programs provide services countywide.

Deputy Mayor Nieuwenhuis thanked Mr. Richardson for providing the update to the Council. Mr. Nieuwenhuis asked whether his division is tracking the number of human services employees who are lost due to wage equity issues. He asked about the effectiveness of bonuses in hiring and retaining staff.

Mr. Richardson said approximately 500 staff are employed with the contracted organizations that receive levy funding. Those organizations have reported relatively high staff turnover due to low wages, especially for direct service workers (e.g., case managers, shelter employees). Mr. Richardson said the bonuses provided \$2,000 for hiring and retaining staff. However, that is a short-term approach and a long-term solution is needed.

Councilmember Lee said there is veterans housing at Andrew's Glen apartments located at St. Margaret's Episcopal Church in Bellevue.

Responding to Mr. Lee, Mr. Richardson read the definition for the populations served by the levy: "person or community susceptible to reduced housing, financial or social stability outcomes due to systemic and historical exposure to trauma, violence, poverty, isolation, bias, racism, stigma, discrimination, disability or chronic illness."

Responding to Councilmember Barksdale, Mr. Richardson said King County follows the Housing First model and the investments in permanent supportive housing significantly outweigh the investments in shelters.

- (b) Bellevue City Code Amendment to the Environmental Procedures Code and Transportation Development Code Regarding State Environmental Policy Act (SEPA) Exemption Levels and Transportation Standards.

City Manager Miyake introduced discussion regarding amendments to the Environmental Procedures Code and Transportation Development Code related to State Environmental Policy Act (SEPA) exemption levels and transportation standards.

Nick Whipple, Planning Manager, Development Services Department, said this effort is part of the Next Right Work initiative that builds on the 2017 Affordable Housing Strategy. In June 2022, the Council selected five items to be completed over the next 12-18 months: 1) micro apartments Land Use Code Amendment (LUCA), 2) reduced fees for affordable housing development, 3) increased floor area ratio (FAR) for downtown affordable housing, 4) ADU (accessory dwelling unit) reform LUCA, and 5) simplified and expedited permitting for the development of affordable housing.

Mr. Whipple recalled that on January 17, the Council provided direction to explore simplifying the permitting process and expediting permitting for affordable housing projects in coordination with other ongoing project. Internal process improvement pilot programs include assigning a project manager for affordable housing projects and expediting permit review. Tonight's discussion focuses on Bellevue City Code Amendments to maximize SEPA categorical exemptions and to align amendments with previous Council action on unit lot subdivisions.

The SEPA law was enacted in 1971 to maintain and improve environmental quality, provide exemptions from SEPA review for certain permits or actions, and to allow for increases in exemption levels where appropriate. Local exemption levels may increase when SEPA elements are covered by existing local regulations. SEPA elements include the natural environment (i.e., earth, air, water, plants and animals, and energy/natural resources) and the built environment (i.e., environmental health, land/shoreline use, transportation and public services/utilities).

Mr. Whipple said there are many regulations that apply to development projects in Bellevue. Staff proposes adopting higher exemption thresholds for different housing types. For example, the current exemption threshold for single-family residential development is 10 housing units to trigger SEPA review, and the proposed maximum exemption threshold is 30 units. The projects would not be subject to SEPA review and the City would not need to issue a threshold determination. The projects will still go through review under city codes. This will help streamline the permitting process to encourage the development of housing, shorten permit timelines and remove redundant processes.

Mr. Whipple said the Council initiated the amendment to the Environmental Procedures Code on January 17. The 60-day comment period began on June 29 and ends on August 29.

Deputy Mayor Nieuwenhuis requested clarification regarding comments made during earlier oral communications. Mr. Whipple said the comment referred to Senate Bill 5412. The primary difference between that bill and staff's proposal is the categorical exemption of up to 200 units of multifamily housing in staff's recommendation. He noted that SB 5412 has more documentation requirements and could potentially allow a limitless amount of units that could be exempt from SEPA review.

Councilmember Zahn said she appreciated the thoroughness of the information provided for tonight's meeting. She acknowledged that since SEPA was put in place, there have been numerous regulations at the federal, state and local level to protect the environment. She said the proposed amendment will not remove key provisions that protect our air and water quality. However, it will remove redundant processes that already exist in other codes.

Ms. Zahn said she supports moving forward now. However, perhaps a second phase of the work could explore the provisions in SB 5412.

Molly Johnson, Development Review Manager, Transportation Department, said the proposed Transportation Development Code amendment would streamline and standardize transportation standards for townhouse developments. When Ordinance No. 6568 was adopted in 2021, it revised the Land Use Code but did not change the Transportation Code. The ordinance allows condominium developments to be treated as a subdivision. The Transportation Code has specific subdivision requirements for transportation facilities including sidewalks, wide roadways, street parking, planter strips, etc. However, they did not align well with the unit lot subdivision model.

Ms. Johnson said unit lot subdivisions are much more compact than typical subdivisions and provide plenty of access for sidewalks/pedestrians and just enough access for vehicles. The proposed Transportation Code amendment will eliminate the barrier of requiring the development of robust public roads. Ms. Johnson said the proposed code allows the Director to determine the most appropriate standards for unit lot subdivisions.

Mr. Whipple said staff is seeking direction to prepare the Environmental Procedures Code amendment and the Transportation Development Code amendment for final action at a future meeting.

- Deputy Mayor Nieuwenhuis moved to direct staff to prepare the Environmental Procedures Code amendment and the Transportation Development Code amendment to the Bellevue City Code for final action at a future meeting. Councilmember Lee seconded the motion.
- The motion carried by a vote of 6-0.
- (c) Next Right Work item to Reduce Permit Review and Inspection Fees for Qualifying Affordable Housing Projects

Mayor Robinson recused herself from participating in this item, noting that her husband was involved with King County housing projects. She said she would participate in the Executive Session at the end of the agenda.

Mr. Miyake introduced discussion regarding the Next Right Work initiative to reduce permit review and inspection fees for qualifying affordable housing projects.

Mr. Whipple said staff is seeking direction to prepare an ordinance to reduce permit review and inspection fees for qualifying affordable housing projects for adoption at a future date. This item falls under Action C-5 of the Affordable Housing Strategy, which is to reduce the cost of building affordable housing through code amendments, reduced fees, reduced parking requirements and City-funded street improvements.

Mr. Whipple recalled that the Housing Needs Assessment indicated the need to accommodate households at the 0-80 percent area median income (AMI) level. He said City staff have been working with affordable housing providers in the region to better understand their needs and recommendations. He said they have studied practices in other cities as well.

Mathieu Menard, Senior Planner, described the fee reduction proposal. Eligible projects are those that provide 100-percent affordable housing at or below 80-percent AMI, permanent supportive housing, emergency housing and homeless services uses. The housing must be affordable for the life of the project. The proposed fee reduction is 100 percent of the review and inspection fees but does not include pass-through fees.

The estimated annual cost of the fee reduction program is \$310,000 plus inflation. Mr. Menard said the Finance and Asset Management Department has recommended that this be established as a Capital Investment Program (CIP) project with a General Fund allocation of \$310,000.

Mr. Menard recalled that the Council asked a number of questions during the December 12 discussion. Responding to those questions, Mr. Menard said staff recommends allowing both non-profit and for-profit entities to use the program and recommends targeting projects meeting the affordability objectives.

Mr. Menard said the anticipated annual cost of \$310,000 plus inflation was projected using the six-year average of qualifying permits. He suggested the cost can be reassessed during each budget cycle.

Regarding funding options to support the program, Mr. Menard said staff recommends using General Fund money. Staff explored alternative funding methods, including grants. However, they are often tailored toward specific projects and often contain narrow criteria that can limit the use of the fee reduction. Mr. Menard said staff will continue to monitor programs for potential funding opportunities.

Responding to a question about whether permit expediting for affordable housing projects should be integrated into the fee reduction program, Mr. Menard said staff is working internally on expedited permitting as a separate process. He said the use of both programs provides a greater

affordable housing incentive. Mr. Menard said no negative impacts to Development Services operations are anticipated.

Mr. Menard said the Plymouth Crossing permanent supportive housing would have received a \$156,000 reduction in review and inspection fees. He said the project did qualify for transportation impact fee and school impact fee exemptions. He said the permitting process was approximately one year and two months. Staff recommends additional assistance throughout the application process to minimize the permitting timeline.

Responding to Councilmember Lee, Mr. Menard said staff does not anticipate exhausting the \$310,000 annual budget. Mr. Menard said staff generally knows a few years in advance if there will be a large project that qualifies for the fee reduction. He said the program will also cover renovation projects which have lower permit costs.

In further response to Mr. Lee, Mr. Menard said finance staff recommends establishing a CIP project for the use of the funds.

Councilmember Zahn expressed support for the proposal. She asked whether the fee reduction program could be used in conjunction with Action C-1 that provides incentives for developing housing on faith-owned and nonprofit-owned properties. She is comfortable with setting a maximum on the pre-development services fee reduction. However, she said certain individuals and organizations, especially if this is their first project, may need more assistance.

Ms. Zahn noted that the reduction does not include pass-through fees. She wondered whether a priority could be added to the Council's legislative agenda to explore whether those costs could be funded through other means. Genesee Adkins, Chief of External Affairs, said she would follow up with Ms. Zahn.

Responding to Ms. Zahn, Mr. Menard said the proposal applies to both new construction and existing affordable housing.

Councilmember Stokes said this is a big step forward. Responding to Mr. Stokes, Mr. Whipple said the estimated annual cost of the program of \$310,000 will be used to reimburse, waive or refund fees for qualifying projects. Mr. Stokes expressed support for moving forward.

Deputy Mayor Nieuwenhuis expressed support for the proposal. Similar to the fee reduction proposal, he suggested setting a goal of a certain number of months for reducing permitting timelines.

→ Councilmember Zahn moved to direct staff to prepare an ordinance to reduce permit review and inspection fees for qualifying affordable housing projects for adoption at a future date. Councilmember Lee seconded the motion.

→ The motion carried by a vote of 5-0, with Mayor Robinson recused.

11. Land Use: None.

12. Other Ordinances, Resolutions, and Motions: None.
13. Unfinished Business: None.
14. New Business: None.
15. Executive Session

At 9:07 p.m., Deputy Mayor Nieuwenhuis declared recess to Executive Session for approximately 30 minutes to discuss one item of pending litigation [RCW 42.30.110(1)(i)]. He said the meeting would adjourn upon the completion of the session.

16. Adjournment

The meeting was adjourned at approximately 9:42 p.m.

Charmaine Arredondo, CMC
City Clerk

/kaw