

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

February 12, 2018
6:00 p.m.

Conference Room 1E-113
Bellevue, Washington

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

ABSENT: None.

1. Approval of Agenda

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

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

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

(a) Nora Johnson Commendation

Councilmember Lee read a commendation recognizing Nora Johnson, Director of the Civic Services Department, for her 34 years of service with the City. Ms. Johnson was a key leader in the move to the new City Hall in 2006 and has demonstrated exceptional performance and dedication throughout her career in a number of departments.

Ms. Johnson thanked the Council for the recognition, noting that she was also an intern with the City in 1978. She praised the City's professionalism, innovation, and sound financing, and thanked the City Council for its support of the organization.

Mayor Chelminiak thanked Ms. Johnson for her hard work on behalf of the City and Bellevue residents.

(b) Bluegrass Music Month Proclamation

Deputy Mayor Robinson read a proclamation declaring February as Bluegrass Music Month and encouraging everyone to participate in the annual Wintergrass Music Festival at the Hyatt Regency Hotel, February 22-25.

Wendy Tyner, Development/Publicity Director, thanked the City for its support of the festival and noted three hotel representatives in the audience who help coordinate the festival. She said the festival has partnerships with the Hyatt, Marriott, Westin, Silver Cloud Inn, and La Residence Suite Hotel, and those hotels are overbooked compared to last year with 2,260 reservations.

(c) African-American History Month Proclamation

Mayor Chelminiak read a proclamation recognizing February as African-American History Month in Bellevue. Anthony Austin, representing the Bellevue Diversity Advisory Network (BDAN), accepted the proclamation and thanked the Council for its ongoing work.

2. Oral Communications

- (a) James McEachran thanked the City for its continued work on affordable housing, or attainable housing as stated by the Mayor during the previous week's meeting. He noted the work of Imagine Housing and their role in providing a number of housing projects in Bellevue and the Eastside. He encouraged robust community engagement in ongoing housing discussions.
- (b) Al Dietemann noted that he submitted written comments regarding Bellevue's Noise Code.
- (c) Dena Fantle expressed concern regarding the proposal to allow housing on church properties located in single-family neighborhoods. She said this could set a precedent for future zoning changes or variances to allow multifamily housing in single-family districts. She said maintaining zoning boundaries is vital, and she opined that the City should not allow targeted regulations that are not available to other developers.
- (d) Jason Puracel, Director of Planning and Operations at East Shore Unitarian Church, questioned whether the proposal to allow increased development potential for certain types of properties would be layered on green building incentives. He supports the ability to use both incentives. He questioned the amount of affordable housing that would be required. The church owns a three-quarter acre parcel zoned R-30 (30 units per acre) and has received seven proposals, including five from affordable housing developers. All of the affordable housing proposals include market-rate units as well. Mr. Puracel encouraged the flexibility to make affordable housing feasible for developers. He noted studies indicating that mixed-income housing creates greater sustainability in the long run.

- (e) Pamela Johnston said two factors important to individuals related to housing are stability and the ability to make a choice. She noted the stigmatism often associated with low-income housing. She expressed concern that development in Seattle's Central District is forcing out lower-income households and destroying communities and support networks. She said it is important to consider how to create a sense of community within low-income housing in Bellevue.
- (f) David Baumgart, representing East Shore Unitarian Church, said the church plans to sell its property and wants at least a portion to be retained for affordable housing. He encouraged the City to consider regulations that will provide the flexibility to encourage the development of affordable housing. He thanked Councilmembers for their work and noted that he serves on the Board of Directors for the Wilburton community.

3. Executive Session

At 6:38 p.m., Mayor Chelminiak declared recess to Executive Session for approximately 20 minutes to discuss one item of labor negotiations.

The meeting resumed at 7:08 p.m.

4. Study Session

- (a) Council Business and New Initiatives.

Councilmember Robertson introduced her recommendations for appointments to the Parks and Community Services Board. The City received 21 applications, and 11 individuals were interviewed by Councilmember Robertson, Board Chair Mark Van Hollebeke, and Terry Smith, Assistant Director for the Parks and Community Services department. Ms. Robertson noted that Mr. Van Hollebeke's term expires in May, and the Mayor and City Clerk confirmed that two appointments could be made now. Ms. Robertson recommended David Hamilton to fill the position formerly held by Councilmember Nieuwenhuis, and noted that both men live in East Bellevue. She recommended appointing Paul Clark to fill the position currently held by Mr. Van Hollebeke, noting that both men live in the Downtown.

→ Councilmember Robertson moved to appoint David Hamilton to serve a partial term expiring on May 31, 2020, and to appoint Paul Clark to serve a term beginning on June 1, 2018 and expiring on May 31, 2022. Councilmember Stokes seconded the motion.

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

Mayor Chelminiak invited Councilmembers to participate in the interviews of three candidates for appointment to the Planning Commission. Jeremy Barksdale, Acting Commission Chair, and Terry Cullen, Comprehensive Planning Manager, will participate in the interviews as well.

Mayor Chelminiak reminded the public that the February 20 Council meeting was cancelled. He noted upcoming Council discussions in March regarding homeless shelter regulations. He said

staff will present information on seven potential sites for the shelter, a review of best practices, Land Use Code issues and requirements, possible design guidelines, and the public involvement process. Mr. Chelminiak said he would like to hold a public hearing on the draft ordinance on June 11.

(b) Discussion of ARCH (A Regional Coalition for Housing) 2018 Administrative Budget and Work Program

City Manager Brad Miyake introduced discussion regarding the 2018 Administrative Budget and Work Program for A Regional Coalition for Housing (ARCH).

Mac Cummins, Director of Planning and Community Development (PCD), said the interlocal agreement requires that the ARCH Board present its annual budget and work program to its member cities for approval. Staff will also be seeking Council approval of the King County Housing Trust Fund recommended allocations at a future meeting.

Art Sullivan, ARCH Program Manager, said the work program is developed using input from the ARCH member cities. The overall budget proposes an overall increase of 3.5 percent, which includes a 2.5 percent increase for the City of Bellevue. Mr. Sullivan highlighted ARCH's services to member cities to develop and administer affordable housing plans, programs, and regulations. It assists with making resources available for affordable housing, provides information to the public, and represents members at regional meetings. ARCH's efforts with member cities have created more than 600 ownership housing units and more than 5,000 rental units in East King County through land use incentives and direct assistance.

Mr. Sullivan said ARCH's 2018 member assistance program addresses long-term funding strategies, transit center sites, surplus and underdeveloped properties, the winter shelter, housing strategy plans, specific local initiatives (e.g., land use incentives), and housing vouchers. He noted that ARCH recently assisted the City of Bellevue in updating its multifamily tax exemption (MFTE) program, and it will continue to be involved in the implementation of the City's Affordable Housing Strategy.

Deputy Mayor Robinson thanked ARCH for its work to achieve affordable housing goals. She questioned whether ARCH could reevaluate the BelRed area's affordability levels and incentives. Mr. Cummins said the City will engage with ARCH staff on housing issues during the BelRed Look Back process.

(c) Discussion of Housing Trust Fund Allocation Recommended by the ARCH Executive Board

Deputy Mayor Robinson said her husband works for the King County Housing Authority. She noted that the agency is requesting assistance from the Housing Trust Fund in the current round of allocations. Ms. Robinson recused herself from discussion regarding the Housing Trust Fund allocations and left the room.

Mr. Sullivan highlighted the attachments in the meeting packet. Attachment A is the memorandum from the ARCH Executive Board regarding the funding allocations. He described

the development of the recommendations through the Board's work with cities and the ARCH citizen advisory board. Attachment F is the summary of all projects that have been funded since 1993. A total of 3,369 units have been funded, which includes \$47 million from member cities. ARCH's long-term goals serve families, seniors, homeless individuals, and persons with special needs, and provides a geographic balance of projects over time. Mr. Sullivan noted that ARCH has preserved 600 federally assisted housing units. He said the \$47 million from members has leveraged more than \$400 million in other public and private resources.

Mr. Sullivan said Bellevue is asked to fund four projects for the next round of allocations: 1) Kirkland shelter for women and families, with The Sophia Way and Catholic Community Services; 2) Esterra Park Block 6B Redmond, with Imagine Housing; 3) men's group homes with Congregations for the Homeless; and 4) Trailhead Apartments in Issaquah, in partnership with the King County Housing Authority. The projects will create 388 units or beds for affordable housing. Mr. Sullivan said a number of conditions apply to the individual projects before they can receive funding.

Responding to Councilmember Lee, Mr. Sullivan said King County TOD (transit-oriented development) funds generated an interest in larger scale projects (e.g., Esterra and the Trailhead Apartments). During the past year, ARCH received loan repayments and completed projects under budget, resulting in more dollars available in the Housing Trust Fund. Mr. Sullivan said the amounts shown in the packet materials represent previously allocated dollars.

Responding to Mr. Lee, Mr. Sullivan said he would typically say that ARCH is spending \$2 million to \$3 million to provide 100 housing units. However, for 2018, the Trust Fund is spending \$15 million plus the total contributions from member cities. Mr. Sullivan said the per unit cost has not changed substantially. However, funding is available to provide significantly more units in 2018.

Responding to Councilmember Stokes, Mr. Sullivan said Attachment E lists the itemized contributions from ARCH member cities. Bellevue provides \$1.5 million from 2017 and earlier. The 2018 allocation of \$248,000 will be used if state funding is not provided. In further response, Mr. Sullivan said there is no project in Bellevue in 2018. However, Bellevue received projects over the past few years which benefited from contributions by the other ARCH member cities. Over the past seven years, projects in Bellevue received more funds than the City invested. Mr. Sullivan said ARCH's model reflects geographic balance in projects over time.

Councilmember Zahn said she likes that Attachment B provides the cost per bed or housing unit. In response to Ms. Zahn, Mr. Sullivan said a number of Esterra's housing units will potentially be available for households earning 30 percent AMI (area median income). The project will also apply for Section 8 vouchers to house the homeless. He said the private developer portion of the site will have 130 market-rate units. In further response, Mr. Sullivan said Attachment C shows the variety of funding sources used for projects. He clarified that fees in lieu collected by cities related to building incentives are not included in the ARCH program or budget. He noted that the City of Redmond and the City of Kirkland contributed fees in lieu toward the Esterra project, beyond their Trust Fund contributions.

Ms. Zahn said she is pleased that ARCH projects cover the range of housing affordability, including to the 30-percent AMI level. Mr. Sullivan said ARCH tries to provide a range of affordability within projects when possible as well. He credited Imagine Housing and the ARCH Citizen Advisory Board for its efforts to identify opportunities to provide more cost-effective housing options for disabled individuals.

Councilmember Robertson expressed support for the funding recommendations. She said she has heard comments that the City is not collecting all fees in lieu from developers and that the fees go into the General Fund. Responding to Ms. Robertson, Mr. Cummins said the fees are held to be used for affordable housing, and he does not believe any developers have failed to pay. He will follow up after consulting with the Development Services Department. Mr. Sullivan said it is possible that certain developers with a commitment to a fee in lieu have not reached the trigger event for payment.

Ms. Robertson said she would like information on fees in lieu that have been received by the City, whether and how the monies have been spent, and projected fees in lieu based on trigger events. Given that this is a budget year for the City, Ms. Robertson suggested a review of how to utilize those funds to create affordable housing.

Councilmember Nieuwenhuis concurred with Ms. Robertson's interest in more information on the City's fees in lieu. Mr. Nieuwenhuis questioned the criteria for the project involving single-family homes. Mr. Sullivan said Congregations for the Homeless has tried different types of housing for different levels of independence. He said the approach is to provide transitional housing, typically with an on-site manager, through the use of group homes.

Responding to Mayor Chelminiak, Mr. Sullivan confirmed that the City of Redmond has a mandatory 10-percent requirement for affordable housing. He said the Overlake (former Group Health) site is a master planned community that will have more than 3,000 housing units. All of those projects must comply with the 10-percent requirement. Redmond also has a MFTE program, which reduces the 80 percent AMI unit cost to 65-70 percent AMI. The City of Redmond provides the opportunity for a fee in lieu to help provide affordable housing units in other projects as well.

In further response to Mr. Chelminiak, Mr. Sullivan said the City of Kirkland has done three things to support the women and family shelter project: 1) selling surplus land to be available for the project, 2) fee waivers, 3) use of REET (Real Estate Excise Tax) funds, and 4) incorporating City-planned infrastructure improvements into the project.

Mayor Chelminiak said four Eastside cities have incentive programs to achieve affordable housing units. Bellevue placed more money aside for affordable housing in its last budget than ever before, and the City continues to determine what the funding level should be going forward. He noted that a number of policy approaches can be used to produce affordable housing including cities working within their own Land Use Codes and budgets. Mr. Sullivan said Bellevue has been a leader for many years in using a number of funding mechanisms and incentives.

Mayor Chelminiak asked staff to bring the items back for Council action on a future consent calendar.

[Deputy Mayor Robinson rejoined the meeting.]

- (d) Initial Discussion regarding the Affordable Housing Strategy Action C-1, which increases the development potential for affordable housing on suitable public, nonprofit and faith-based properties.

Mayor Chelminiak noted that this is the Council's first discussion regarding Affordable Housing Strategy Action C-1, which proposes increasing the development potential for affordable housing on suitable public, nonprofit, and faith-based properties.

Mac Cummins, Director of Planning and Community Development (PCD), said the staff presentation would address potential housing alternatives to implement action C-1 of the Affordable Housing Strategy. He said the City's traditional approach is to handle individual Comprehensive Plan Amendments (CPAs) and rezones for specific properties. However, the proposed strategy would establish zoning for types of properties, which would provide greater certainty and predictability for potential affordable housing development.

Mike Kattermann, Senior Planner, said action C-1 is one of 21 actions identified under five strategy areas within the Affordable Housing Strategy plan. The proposed approach increases the development potential of affordable housing on suitable public, nonprofit, and faith-based properties. He recalled that the affordable housing technical advisory group (TAG) indicated that 200 units to 1,000 units could be achieved through this approach. It also provides the potential for more housing for lower income levels.

Mr. Kattermann said the City's traditional approach has been to handle Comprehensive Plan Amendments (CPAs) and rezones separately for individual properties. However, that is typically a relatively lengthy process. Staff is asking the Council to consider a broader approach to encourage the development of affordable housing on suitable public, nonprofit, and faith-based properties, with the exception of parks and open spaces, school district sites, and properties owned by the State or other cities. The cost of land is one of the major barriers to producing affordable housing in Bellevue. The proposal applies to commercial and multifamily zones and excludes single-family zoned properties or properties surrounded by single-family zoning.

Mr. Kattermann said the recommended approach involves a single Comprehensive Plan Amendment and a parallel Land Use Code Amendment for specific types of properties. The model applies existing development regulations, with the exception of density requirements. Mr. Kattermann described an example of how a site zoned R-30 (30 units per acre) could produce 25 affordable housing units under the City's existing incentives. However, the bonus proposed by action C-1 could produce as many as 47 affordable units on the same site. He noted this approach is already used in the BelRed area, Downtown, and Eastgate area.

Continuing, Mr. Kattermann said staff's analysis identified 45 properties in Bellevue potentially eligible for development under the proposed approach. Removing the sites less likely to

redevelop for a number of reasons, there are less than 30 sites that might be interested in developing affordable housing. Mr. Kattermann said the Glendale Apartments on NE 8th Street are owned by DASH (Downtown Action to Save Housing), which is interested in redeveloping the site and potentially tripling the number of housing units. Mr. Kattermann highlighted additional sites in Bellevue that could be candidates for the proposed C-1 strategy.

Next steps are continued Council discussion in March, and Council action on the proposal in April. If the Council chooses to move forward, CPA and LUCA review will be initiated and include the involvement of the Planning Commission as well as a public hearing. Staff will engage in outreach to eligible property owners, neighborhoods, and affordable housing providers to further refine the implementation of strategy C-1. Council action on the CPA and LUCA is anticipated later this year.

Mayor Chelminiak noted the active involvement of Deputy Mayor Robinson and Councilmember Stokes in working with the affordable housing technical advisory group issues and invited them to comment.

Councilmember Stokes expressed support for the proposed approach and thanked staff for their work. While it is different than the traditional approach, he believes it is consistent with past individual actions by the City for similar properties. He acknowledged that affordable housing projects could increase density, but noted that other projects could also increase density. He said the Andrew's Glen housing project and The Sophia Way program have been successful and both involved a good public process. He said the need for affordable housing continues to grow, and the proposal will benefit the City. It demonstrates Bellevue's commitment to housing solutions and will expedite the potential for development.

Deputy Mayor Robinson thanked staff for their work and proposal. She said it increases density and predictability for developers, and does not reduce the public process. She asked whether allowing increased density will increase the likelihood of achieving affordable units. She said she appreciates the list of sites provided during the presentation, and she encouraged a range of affordability levels within each project.

Ms. Robinson said that some of the potentially eligible sites are close to single-family neighborhoods or perhaps use neighborhood streets and infrastructure. She noted there are clusters of eligible properties in some areas and questioned the impact to the surrounding community if multiple housing projects are in close proximity to each other. If there are negative impacts, she questioned whether there is a way to manage that by placing a cap on development or through other mechanisms (e.g., buffers).

Mr. Cummins said staff would like to study those issues and to work through multiple options. If a clustering of projects were to occur, maximum caps or other controls could be put in place. The process will involve vetting the appropriate locations and potential impacts. With regard to encouraging more units within a project, Mr. Cummins said including more units within the same building envelope will make projects more economically feasible for developers.

Mr. Kattermann said feedback from developers indicated that a minimum of 40-60 units is needed for a feasible project.

Councilmember Robertson said House Bill 1987 is under consideration by the state legislature. It would require increased density for all church-owned and nonprofit-owned properties. She said the legislative session ends on March 8 and the City should continue to track that bill. She said the City opposes the bill because it applies in single-family zones, while Bellevue staff's proposal applies to commercial and multifamily districts. Mr. Kattermann confirmed that staff is monitoring the progress of the proposed legislation. He noted concerns that it preempts local zoning authority. Ms. Robertson said the Association of Washington Cities opposes the legislation as well.

Ms. Robertson expressed concern regarding the metrics that are being used to determine where the proposed approach is appropriate. She expressed concern that a citywide rezone applying only to certain types of properties raises a constitutional issue in terms of a neighborhood protection violation. She noted staff's comment that increased densification is more attractive to developers. However, she said that is true regardless of property ownership. Ms. Robinson opined that it is not appropriate to base zoning on property ownership. She requested a legal opinion on whether staff's proposal is constitutional. She is concerned about the City proactively granting special treatment for churches and certain types of properties.

Ms. Robertson expressed concern about the concept of commercial zoning on one side only of a development. She said a church is a transitional type of use allowed in every land use district in the community. If a project borders single-family development on three sides and commercial on one side, perhaps that is not the right place for multifamily housing. She said the goal of attainable housing is to allow individuals to have a quality of life within their means. She supports that goal and wants to ensure that existing and future single-family residents maintain a certain quality of life as well. Ms. Robertson concurred with Deputy Mayor Robinson's question about determining whether appropriate infrastructure exists to support the projects that might be developed, especially those that could double the density of development. Ms. Robertson said that, due to significant housing costs in the region, sometimes 7-8 people will live together in a one-bedroom unit.

Councilmember Robertson suggested a review of all parcels citywide that fall into the same categories, regardless of ownership. If the City is considering the proposed approach as a way to create more affordable housing in underdeveloped areas that currently have multifamily zoning, she suggested looking at parcels citywide.

Ms. Robertson said she has not seen a planning staff work plan in some time. She said the Council recently identified priorities during its retreat that will be coming forward soon and will need to be incorporated into the work plan. She observed that the proposal for Affordable Housing Strategy action C-1 is a fairly aggressive work plan, especially if the City considers a citywide change in density on parcels throughout Bellevue. She would like to see how that fits into the projected 2018 work plan. She suggested it would be more appropriate to review the proposal as part of the future neighborhood subarea planning work on an individual subarea basis. She believes that would provide a greater opportunity to study the impacts on infrastructure, schools, and neighborhoods.

Councilmember Robertson said that perhaps there are other options for creating affordable housing (e.g., fees in lieu). She said creating housing through ARCH and nonprofit agencies is significantly more expensive per unit than the creation of housing by private developers. She suggested an alternative in which the City could subsidize a number of units within a development using fee in lieu collections.

Ms. Robertson said there are ways to achieve the City's outcomes without necessarily stressing neighborhoods and infrastructure, and without preempting the community's involvement in neighborhood planning. She said the City has developed growth corridors for a reason, and now there is discussion about pockets of increased density, in some cases doubling the density, throughout the community. Ms. Robertson said she would like more analysis and public involvement before she can support the C-1 approach.

Councilmember Nieuwenhuis expressed concern about the impacts of the proposed approach on single-family neighborhoods. He encouraged defining terms (e.g., surrounded by single-family zoning) and studying the potential unintended consequences of the proposal. Referring to the maps presented earlier by staff, he observed that many of the eligible sites are in East Bellevue. There would be significant neighborhood impacts if multiple parcels are developed. He noted eight potential developments on 148th Avenue. If it is constitutionally legal to move forward with the proposal, he expressed an interest in determining whether it is possible to limit the number of developments within a specific geographic area. Mr. Nieuwenhuis concurred with Councilmember Robertson's suggestion for robust neighborhood engagement before making a decision.

Councilmember Zahn noted that action C-1 is one of 21 actions identified in the Affordable Housing Strategy. She concurred with her colleagues' suggestions to understand the impacts to neighborhoods, especially in areas with clusters of eligible properties. She questioned whether staff has spoken with property owners regarding the proposed approach.

Mr. Kattermann said property owners were engaged during the development of the Affordable Housing Strategy. However, staff has not conducted specific outreach on this issue because it wanted to discuss the proposal first with the Council. He said the Comprehensive Plan and Land Use Code amendment process involves extensive public outreach that would address a number of the Council's concerns.

Ms. Zahn said it would be helpful to fully understand the public process as well as the permitting process for development projects. Mr. Kattermann said the land use proposal does not change the permitting process. Ms. Zahn said she understands her colleagues' concerns. However, she noted that this is only one strategy to pursue more affordable housing units.

Councilmember Lee thanked staff for their work on this issue and noted that he likes the term attainable housing. He complimented Mr. Sullivan's expertise and leadership of ARCH for many years. Mr. Lee said he is glad that staff is studying a number of alternatives, and he supports moving forward. He thanked Councilmember Robertson for the points she raised and concurred that those issues should be addressed. Councilmember Lee noted the need for attainable housing for retirees and senior adults.

Councilmember Lee said he wants to understand how ARCH's overall model interacts with the City's renewed approach to address affordable housing. Mr. Kattermann said Mr. Sullivan was heavily involved in the development of the City's Affordable Housing Strategy. Mr. Sullivan has also been involved in discussing and studying the proposed approach for action C-1. Mr. Kattermann said ARCH coordinates funding and regional projects, and action C-1 creates more opportunities for Bellevue to apply that funding to the creation of housing units.

Responding to Mr. Lee, Mr. Cummins said staff's proposal is designed to use the City's regulatory mechanisms to create additional housing opportunities. ARCH's principal involvement is as a funding partner in generating the universe of opportunities for more housing in the region, and the City and ARCH will continue to work closely together.

Mayor Chelminiak said staff's proposal reflects a smart concept. However, a number of questions and issues have been raised by the Council. He said the region is not doing enough from a market-based standpoint to achieve attainable housing in Bellevue. Mr. Chelminiak said the proposal does not apply to single-family zoned properties and it is based on the Affordable Housing Strategy.

Mr. Chelminiak said he heard a number of Councilmembers express an interest in the proposed concept. He also heard serious concerns about the impacts of increased density. He encouraged caution and a deliberative process.

Mayor Chelminiak said he was pleased to learn about the efforts of East Shore Unitarian Church related to affordable housing. He noted that the church is willing to take an economic loss to preserve land for housing, and the proposal presented tonight would likely reduce the economic loss for providing a project that benefits the overall community.

Mr. Chelminiak suggested that the approach should involve a citywide process, separate from the neighborhood subarea planning process. He noted the possible scenario that a church property currently zoned R-30 could result in multifamily housing next to a single-family neighborhood.

Mayor Chelminiak expressed support for Councilmember Robertson's suggestion to obtain a legal opinion regarding the constitutional issues. Mr. Chelminiak said the faith-based community has been committed to providing housing for many years. He said that while the maps show a number of eligible properties, including some located closely to each other, it is likely that only a limited number of properties will actually develop housing. However, he said it makes sense to consider regulations to limit the maximum level of development. Mr. Chelminiak expressed support for developing a range of apartment types, including larger apartments for families.

Responding to Mr. Chelminiak, Mr. Miyake said staff will return in early March for further discussion. Given the concerns and questions raised by the Council, Mr. Miyake said he will work with staff to determine how to proceed.

Mayor Chelminiak said he would like to have more time for the Council and staff to consider and study the proposal and to share information with the community. However, he would like to receive more information from staff and continue discussions from mid-March to mid-April.

Councilmember Robertson questioned whether this initiative will come back within the context of discussing the overall planning work plan. She said the Council will need to understand the impact of the work on other priorities. Mayor Chelminiak suggested that continued work in this area will not be resolved before the Council begins discussing the budget. However, the Council can balance planning priorities within the context of the budget discussions.

(e) West Lake Sammamish Parkway Phase 2 Project [CIP Plan No. PW-R-183]

City Manager Miyake introduced discussion regarding the West Lake Sammamish Parkway Phase 2 project.

Ron Kessack, Transportation Department Assistant Director, recalled that last May, the Council approved advancing transportation Capital Investment Program (CIP) funding for the West Lake Sammamish Parkway Phase 2 project, in order to coordinate work with a Utilities Department project to replace a watermain along a 11,000-foot section of the roadway. Coordinating the projects reduces the overall impacts to residents and commuters who use the road.

Paul Krawczyk, Senior Project Manager, summarized the roadway and project configuration, including a multi-use path, adopted by the Council in 2005. In 2009, the City developed a five-segment phasing plan for improvements to West Lake Sammamish Parkway. Phase 1 of the project, I-90 to SE 34th Street, was completed in 2013. In May 2017, Council provided direction to accelerate Phase 2 of the project to coordinate it with the Utilities Department's watermain project.

Mr. Krawczyk said that coordinating the roadway and watermain projects will result in cost savings and minimize the construction and traffic impacts. The Utilities watermain project is in the central and north central segments of West Lake Sammamish Parkway. Siting considerations for the Phase 2 transportation project included critical areas impacts, the pavement/subgrade soil condition, the size of structures, and driveway impacts.

Mr. Krawczyk said staff's analysis determined that moving forward with the north central segment of roadway improvements was the most cost-effective plan with the greatest benefits. The Transportation Commission concurred with staff's recommendation in January 2018. Mr. Krawczyk said staff is seeking direction to proceed with a community update in February/March, and to return with a consent calendar item requesting Council approval of a contract to continue to design the combined utilities and roadway project. He said staff anticipates beginning construction in early 2019.

Responding to the Mayor, Mr. Kessack confirmed that the Utilities Department project covers both the central and north central segments. However, the West Lake Sammamish Parkway Phase 2 project is identified for the north central segment.

Responding to Councilmember Zahn, Mr. Kessack said full funding is not currently available for both the central segment and north central segment roadway improvements. The budget includes \$8 million for the West Lake Sammamish Phase 2 project, and each segment would cost approximately \$8 million. Mr. Kessack said the north segment has reduced risks. Ms. Zahn said

that delaying the roadway improvements on the central segment will result in increased costs for future work.

Mr. Kessack acknowledged that future work will impact the area of the proposed north central project. He said Phase 3 of the project is targeted for 2023 in the CIP Plan. He noted the need for the timely replacement of the watermain to meet the City's commitment to Issaquah. Mr. Kessack said more analysis is needed for future phases of the roadway project. He said West Lake Sammamish Parkway is a difficult area to work with a number of steep slopes and driveways. The road was built in approximately 1931.

Councilmember Zahn suggested that the City consider a heavy civil GC/CM (General Contractor/Construction Management) approach or an alternative project delivery that allows the City to work directly with the contractor through the phasing. She noted new state law in this area that could benefit the City. Mr. Kessack confirmed the City's interest in the GC/CM approach for a number of projects.

Responding to Councilmember Robertson, Mr. Krawczyk said the total cost of the West Lake Sammamish Parkway Phase 1 project was nearly \$10 million. Ms. Robertson recalled the challenges related to the existing infrastructure along the roadway and questioned whether there were lessons learned from that work. Mr. Kessack said there will be extensive work to locate utilities infrastructure. In further response to Ms. Robertson, Mr. Kessack said the Phase 2 project is at five-percent design, and staff is working with the design consultant on how to handle the pavement. A special overlay was used for Phase 1, and staff will continue to explore opportunities for cost savings.

Ms. Robertson said it would be preferable to be able to complete the central segment and north central segment roadway improvements at the same time as the utilities project. She said it would be great if the watermain project can be finished in a way that facilitates the next road project phase. Mr. Kessack concurred and confirmed that staff is looking at options for minimizing future disruption.

Councilmember Robertson said it is important for the public to understand the phasing of the five segments and the reasons for prioritizing the north central segment at this time. Mr. Kessack said staff's public outreach campaign will address funding and the project timeline. He said funding for Phase 3 begins in 2023 with \$1 million to initiate project design.

Deputy Mayor Robinson commended staff for its proposal to combine transportation and utilities projects. She noted feedback from the community regarding the wide sidewalks that are also used by bicyclists. Residents have expressed concern that cars are entering the path. She suggested that staff consider adjustments to the stop signs along the path.

Councilmember Nieuwenhuis noted that he is a bicyclist and thanked staff for their work, including the wider shoulders along the roadway.

Responding to Mayor Chelminiak, Mr. Krawczyk said the draining issues for Phase 2 are more challenging than for Phase 1. He said that most of the drainage from West Lake Sammamish

Parkway is handled through private conduits to the lake, with up to 60 along the entire corridor. For Phase 1, most of the conduits drained to one low point so staff was able to provide one major outfall. Phase 2 will be more challenging, and the City will coordinate with multiple property owners to establish multiple outfalls to the lake.

Mayor Chelminiak recalled that former Mayor Balducci took this project on in 2004 during her first year on the City Council, and there was an extensive public process. Mr. Chelminiak commended the phasing of the project and noted that residents and others who use the parkway need a break between the construction of the project phases. He concurred with the need to educate the public about the status of the project and the rationale for moving forward with improvements to the north central segment.

5. Mini Consent Calendar

- (a) Resolution No. 9372 authorizing execution of all documents necessary to grant a permanent, non-exclusive easement to Puget Sound Energy, Inc. (PSE) to install, operate and maintain an electrical power transmission and distribution system in support of the Meydenbauer Bay Park Phase 1 Improvements Project.

→ Councilmember Stokes moved to approve Resolution No. 9372, and Councilmember Robertson seconded the motion.

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

6. Continued Oral Communications

Pamela Johnston suggested that the West Lake Sammamish Parkway project provides the opportunity to underground electrical utilities. Referring to the development of the Affordable Housing Strategy, she said many residents expected to learn about the strategy during the community meeting. Instead, residents were asked to identify which actions they liked better. She discouraged the concentration of low-income housing in one building or project. She questioned whether the City's strategy includes the concept that producing more affordable housing will help control rents for other housing options.

At 9:32 p.m., Mayor Chelminiak declared the meeting adjourned.

Kyle Stannert, CMC
City Clerk

/kaw