

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Regular Meeting

October 5, 2020  
6:00 p.m.

Virtual Meeting  
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 6:04 p.m., with Mayor Robinson presiding.

2. Roll Call

City Clerk Charmaine Arredondo called the roll. All Councilmembers were present and participating remotely. 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 7-0.

4. Oral Communications

- (a) Christopher Randels expressed concern regarding the nominees for appointment to the Transportation Commission. Mr. Randels disclosed that he applied for the position himself. He said that Derek Geldenhuys, a real estate agent, has no transportation experience and has published racist and derogatory remarks about public officials and private citizens on social media. He said it is his understanding that Mr. Geldenhuys has withdrawn himself from consideration. Mr. Randels said that Mr. Geldenhuys' Twitter page was the third result in a Google search of his name. He strongly urged the Council and City staff to independently research an individual's background and to not rely solely on what the interviewees say about themselves. Mr. Randels said that another nominee, Christina Beason, Vice President at Liberty Bank, has no listed transportation experience

on her professional profile. Mr. Randels said Ms. Beason declared herself a Republican to vote in the presidential primary election. He said the Transportation Commission will consider multimodal transportation projects, including those to address climate change. Mr. Randels said the State GOP platform does not acknowledge the scientific reality of climate change and it has dismissed the City's Complete Streets investments as a "squandering of taxpayer dollars." He opined that Bellevue residents deserve more information regarding Ms. Beason's perspectives on specific issues. Mr. Randels said he was also interested in the transportation qualifications held by Matthew Klutznick, who is described as the general manager of The Shops at the Bravern and a real estate agent. Mr. Randels encouraged the Council to conduct further review of the Transportation Commission candidates.

- (b) Allison Howes, a resident of the Woodridge neighborhood, commended the Mayor's Pledge to conduct a review of the Bellevue Police Department's use of force policies. She expressed concern, however, that the community engagement process will not reach those who might have had negative interactions with police in the past. She said they would have valuable insights to share. She said that every opportunity for communication thus far has required internet access. Ms. Howes said that some individuals are not comfortable sharing their views and experiences in a public setting.
- (c) Bruce Bowman provided comments regarding the Draft Environmental Stewardship Plan. He said that at least half of greenhouse gas emissions are related to transportation. He expressed concern regarding natural gas emissions as well. Mr. Bowman said that climate change needs to be addressed with a leading-edge approach. He encouraged the City to explore existing cost-effective technologies that help to reduce greenhouse gas emissions. He urged the Council to set aggressive goals for reducing emissions. He encouraged the formation of a citizen's climate action advisory group to help accelerate the City's actions and to educate the public about the importance of taking action.
- (d) Mallory Van Abbema, Housing Development Consortium (HDC), thanked elected leaders, City staff, stakeholders, community organizations, and others for pushing forward the important work articulated in Bellevue's Affordable Housing Strategy Plan. She urged swift action on the goals identified by the technical advisory group in 2017. She said it is critical for the City to encourage and support the development and retention of affordable housing. Ms. Van Abbema said the economic impacts of the pandemic have sharply increased the demand for affordable housing. She encouraged the City to expedite the implementation of the Affordable Housing Strategy. While she supports the multifamily tax exemption (MFTE) program, she said it will not meet the housing needs of lower income residents. Ms. Van Abbema said HDC appreciates its partnership with the City.

Mayor Robinson asked City Manager Miyake to follow up with Ms. Howes regarding her comments.

Mayor Robinson commented that when considering individuals for appointment to the City's Boards and Commissions, their qualities might not be obvious. She said she did not recall ever

seeing the public speak out against nominees for appointments based on social media activity. Ms. Robinson suggested reviewing the criteria used to evaluate nominees and considering whether social media activity should be included in the criteria. She said she does not want to subject individuals to public shaming. However, she acknowledged that it is important to be careful when the Council appoints individuals who will represent the City.

City Manager Miyake said staff will schedule a Council discussion for a future meeting.

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

6. Report of the City Manager

City Manager Miyake noted that Agenda Item 8(b) awards a construction contract for the NE 12<sup>th</sup> Street Multipurpose Path (108<sup>th</sup> Avenue NE to 112<sup>th</sup> Avenue NE).

(a) Update and Thank-You from REI Co-op

Mr. Miyake introduced Marc Berejka, Director of Community and Government Affairs for REI Co-op.

Mr. Berejka thanked the City for working with REI Co-op over the past few years as the company planned its new headquarters building in Bellevue. He praised the City's parks and open space system. He said REI employees are disappointed that they will not be moving into their new building in the Spring District as the company transitions to a more dispersed headquarters structure. The REI building has been purchased by Facebook. Mr. Berejka said that REI has committed to contributing \$1 million to support efforts to develop the Eastrail regional trail.

Mayor Robinson thanked REI's leadership for their inspiration to move forward with developing the Eastrail through Bellevue. She thanked them for their partnership with the City and community.

(b) Public Technology Institute Awards 2020

Sabra Schneider, Chief Information Officer, announced that the City received four awards from the Public Technology Institute (PTI) in the areas of emerging technologies applications, geospatial information systems, and sustainability. The emerging technologies projects are the Chatbot for COVID-19 to help answer frequent questions from the community and the Robotic Process Automation Cloud Conversion. The geospatial information systems project is the 911 Dispatch Integrated Mapping Application that integrates real-time 911 dispatch data with traffic operations, video monitoring, and incident archiving. The sustainability project is the Smart Water Enterprise Data Integration Platform and Analytics Dashboard.

Mayor Robinson congratulated staff on the awards and thanked them for their work.

7. Council Business and New Initiatives

(a) Appointments to Transportation Commission

Councilmember Robertson said there were 27 applicants for the open seat on the Transportation Commission, and 12 individuals were interviewed. The interview panel included Transportation Department staff, Transportation Commission Vice Chair Loreana Marciante, and Ms. Robertson. She noted that all Councilmembers were invited to participate. She said the two candidates she is nominating scored well for having a thoughtful approach, extensive board and civic engagement experience, and their interest in and experience with community building and transportation.

Ms. Robertson said she found it troubling that members of the public would make negative comments about people they do not know. She said the selection process should never include trying to determine a person's political affiliation. She said the purpose of the interviews is to discuss the individuals' qualifications and to assess their ability to work in a group with fellow commissioners. She said the City does not generally look for technical experts to serve on Boards and Commissions. Ms. Robertson said it is important to her to have broad geographic representation on the Boards and Commissions. She also looks for individuals who value the City's multimodal transportation approach. She encouraged the public to engage civilly and to avoid personal attacks against individuals.

Councilmember Robertson nominated Matthew Klutznick. He lives in the Wilburton area and is general manager of The Bravern, a member of the Bellevue Chamber of Commerce Board of Directors and has been working on transportation issues for approximately 15 years. He has worked with employers and local government to shift employees to multimodal transportation modes. He previously served on the Board of Directors of the Sacramento Transportation Management Association. He is a supporter of transit and the bicycle community.

For the second vacant position, Ms. Robertson nominated Christina Beason, a downtown resident who works as a bank vice president and has an extensive record of civic engagement. Ms. Beason has been involved with the Boys and Girls Clubs of Bellevue, United Way, Bellevue Rotary, YouthCare, and Food Lifeline. She previously served on the Bellevue Downtown Association (BDA) transportation committee and has closely followed and is supportive of Bellevue's Smart Mobility initiative. Ms. Beason also noted her support of the City's Environmental Stewardship Initiative (ESI) during the interview. Ms. Robertson said Ms. Beason is concerned about road and pedestrian safety, especially as a downtown resident.

→ Councilmember Robertson moved to approve the appointment of Christina Beason and Matthew Klutznick to the Transportation Commission for terms ending May 31, 2024. Councilmember Lee seconded the motion.

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

8. Consent Calendar

- Deputy Mayor Nieuwenhuis moved to approve the Consent Calendar, and Councilmember Robertson seconded the motion.
- The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved:
  - (a) Council Minutes  
Minutes of September 21, 2020 Regular Meeting
  - (b) Motion to award Bid No. 20061, NE 12th Street Multipurpose Path - 108<sup>th</sup> Avenue NE to 112<sup>th</sup> Avenue NE (CIP Plan Nos. PW-R-182 and PW-M-1), to Kamins Construction as the lowest responsible and responsive bidder, in the amount of \$761,755.58, plus all applicable taxes.
  - (c) Resolution No. 9824 authorizing the execution of documents necessary to release an existing slope easement and a temporary construction easement on private property located at 11100 Main Street.

#### 9. Public Hearing

- (a) Public Hearing and Action on Ordinance No. 6528 authorizing the release of an existing water easement and amending Ordinance Nos. 329 and 338 (as amended by Ordinance No. 386) to release a public utility easement and a portion of a second public utility easement, all located at 9625 NE 8th Street, which have been declared surplus to the City's needs and are no longer required for providing continued public utility service; the release of these easements being deemed in the best interest of the public.

City Manager Miyake introduced the staff report regarding the proposed release of water and public utility easements.

Ira McDaniel, Real Property Division Manager, said that Ordinance No. 6528 authorizes the release of an existing water easement and amends Ordinance Nos. 329, 338, and 386 to release a public utility easement and a portion of a second public utility easement at 9625 NE 8<sup>th</sup> Street. The property is being redeveloped and two of the easements were created through street vacation ordinances. As part of the permit requirements, the property owner will be dedicated a new public right-of-way as well as utility and water easements.

- Deputy Mayor Nieuwenhuis moved to open the public hearing, and Councilmember Lee seconded the motion.
- The motion carried by a vote of 7-0.

No members of the public commented on the proposed action.

- Deputy Mayor Nieuwenhuis moved to close the public hearing, and Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.
- Deputy Mayor Nieuwenhuis moved to adopt Ordinance No. 6528, and Councilmember Lee seconded the motion.
- The motion carried by a vote of 7-0.

## 10. Study Session

- (a) Puget Sound Emergency Radio Network (PSERN) System Progress and Operator Interlocal Agreement

City Manager Miyake said staff is seeking Council direction to return with a resolution authorizing the execution of the Puget Sound Emergency Radio Network (PSERN) Operator Interlocal Agreement on a future Consent Calendar.

Nathan McCommon, Deputy City Manager, recalled that the City entered into a regional emergency communications partnership approximately 20 years ago that became known as the Eastside Public Safety Communications Agency (EPSCA). In 2015, the Council signed an Interlocal Agreement that launched the transition to a new state-of-the-art system and a broader regional partnership. Since that time, the City has been actively involved in the transition planning. Mr. McCommon introduced David Mendel, Information Resources Management Director for King County, to present the update.

Mr. Mendel said the PSERN project was fully funded through a 2015 voter-approved property tax that began collections in 2016. In early 2015, the twelve partner jurisdictions signed an interlocal agreement, which will be referred to as the Implementation ILA. This agreement established the PSERN project governance. At the same time, the partners executed a Memorandum of Agreement (MOA) that pledged to create an Operator ILA. Mr. Mendel described and presented photos of the radio equipment.

Mr. Mendel said the new radio system will provide advanced digital technology with improved capacity, capability, and connectivity through a 20-year contract with Motorola. The PSERN system will improve radio coverage throughout the county to accommodate population growth, including on highways 2, 410 and I-90. The contract includes more than 17,000 new end user radios and infrastructure support 24 hours per day.

Mr. Mendel highlighted the project schedule. The transition of dispatch centers will begin in October, and the completion of site construction is anticipated by December 2020. The PSERN Operator leadership group will meet throughout 2021, and the radio system will be deployed in June 2022. The project will conclude by December 2022. Mr. Mendel thanked Bellevue Fire Marshal Ken Carlson for his regional leadership in the PSERN project. He commented regarding the leasing of radio sites and radio site construction.

Mr. Mendel said the PSERN Operator ILA has been approved by 10 of the 12 partner jurisdictions or agencies. He said they are seeking approval from all 12 councils by mid-October, with the goal of signing the agreement in December. He highlighted three risks that could affect the project: 1) continued delays related to the pandemic, 2) transitioning public safety communications equipment (distributed antenna systems) inside more than 600 buildings to PSERN frequencies, and 3) site construction delays.

Mr. Mendel said he is confident that there is sufficient funding in the budget to meet the project commitments. He described the key elements of the ILA, noting that a new nonprofit governmental agency will assume operations of the PSERN system. The governance and policy-making body will be a Board of Directors with four voting members (representing City of Seattle, EPSCA cities, King County, and Valley Communications Center cities) and two non-voting members from police and fire agencies. The Executive Director will hire staff and manage operations.

The ILA outlines the Operator's responsibilities for the system throughout its useful life, including maintenance, support, and performance. Mr. Mendel said there are protections for parties to the Operator ILA to prevent them from being financially liable for PSERN operations or incurred debts. He highlighted the estimated monthly fees, noting that Bellevue's first-year fees are estimated at \$323,967 for 939 radios. Mr. Mendel described the next steps in forming the PSERN Operator body. After the Board of Directors is appointed, they will hire an Executive Director. The system is scheduled to be turned over to the new Operator by December 2022.

Mr. Mendel said the PSERN project team is asking the City Council to consider authorizing the signing of the PSERN Operator (Operations Period) Interlocal Agreement. If approved, the City will be a party to the agreement, which includes a voting representative from EPSCA on the PSERN Operator Board of Directors.

Mayor Robinson thanked Mr. Mendel for the presentation.

Councilmember Robertson spoke in support of the collaborative effort and the governance proposal. She noted the importance of this project and said she is glad that Bellevue will be well represented. She said she would be comfortable with this item coming back for Council approval on a future Consent Calendar.

Councilmember Zahn concurred with bringing the item back on the Consent Calendar. She acknowledged the importance of maintaining connectivity during emergencies. She expressed support for the PSERN proposal and thanked Mr. Mendel for his work. Responding to Ms. Zahn, Mr. Mendel said he that adding more partners would not affect the rate structure for users because the costs are based on the number of radios and dispatch consoles. He said it is possible that other cities could be added in the future.

Councilmember Lee expressed support for the project and for implementing new technology. He recalled his past involvement in the effort to plan for a new regional radio system. He asked for more details regarding the technology and anticipated life cycle.

Responding to Mr. Lee, Mr. Mendel said the City of Bellevue and four other cities will be represented on the Board of Directors by the EPSCA representative.

Responding to Councilmember Lee, Mr. Mendel said the PSERN system uses state-of-the-art technology. Mr. Mendel said that certain hardware and software components of the regional radio system will be upgraded every two years. He said this is probably the last radio system that taxpayers will purchase, as new technology merges with land mobile radio.

Councilmember Stokes thanked everyone for their hard work and recalled that this topic has been before the Council a number of times. He expressed support for the PSERN partnership and proposed radio system implementation.

→ Deputy Mayor Nieuwenhuis moved to direct staff to return with a resolution authorizing the execution of the Operator Interlocal Agreement (ILA) for adoption on a future Consent Calendar. Councilmember Robertson seconded the motion.

Councilmember Lee indicated that he believed more discussion is needed. He expressed a preference to not take action on the ILA as a Consent Calendar item.

Mayor Robinson recalled that this topic was one of the first projects addressed when she joined the Council seven years ago. She suggested taking action on the ILA separate from the Consent Calendar.

Deputy Mayor Nieuwenhuis amended the motion to remove the language about placing the item on a Consent Calendar. Councilmember Robertson concurred with the amendment.

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

(b) Initiate Work to Update the Multifamily Tax Exemption (MFTE) Program

City Manager Miyake said the issue of reviewing and updating the Multifamily Tax Exemption (MFTE) program was last discussed with the Council in October 2019. At that time, the Council extended the MFTE program to an interim date and moved the previous expiration date. Staff is seeking Council direction to initiate staff work to update the MFTE program.

Mac Cummins, Director of the Community Development Department, said that two major components of the Affordable Housing Strategy are regulations and financial incentives to stimulate the creation of affordable housing. Financial incentives can be direct subsidies to create or preserve units. He introduced staff's presentation regarding the proposed scope of work for reviewing the MFTE program. Staff anticipates returning early next year with recommendations and alternatives for Council consideration.

Thara Johnson, Planning Manager, highlighted the agenda, noting that the purpose of tonight's presentation is to propose the initiation of the MFTE program update process.



Elizabeth de Regt, Senior Planner, recalled that the MFTE program is based on state legislation. Participation in the program requires a commitment to provide 12 years of affordability for 20 percent of the units in a development in order to receive a 12-year tax exemption on residential improvements. The program overlaps with other incentive programs to create deeper affordability below the 80-percent area median income (AMI) level. The MFTE program applies only to Residential Target Areas (RTAs) designated by the Council. In all areas, 15 percent of the units must have two or more bedrooms. Any affordable units smaller than 300 square feet must be leased at the 45-percent AMI level. The current RTAs in Bellevue are the Downtown, BelRed, Eastgate, Crossroads Village, and Wilburton commercial area. Each area has additional slightly different requirements in terms of the percentage and affordability level of the housing units.

Ms. de Regt said that two projects totaling 63 affordable units have used the MFTE program since its adoption in 2015. Both projects occurred following the early 2018 update to the program. Ms. de Regt noted that the 2017 Affordable Housing Strategy estimated the creation of 65 units annually through the MFTE program. More than 100 units are potentially planned for next year. She said participation in the program has been lower than anticipated, which prompted staff to recommend an update to the program's provisions.

Ms. de Regt highlighted opportunities to expand the geographic scope of the MFTE program, including the potential expansion of the Wilburton RTA and the addition of new RTAs (e.g., East Main and other mixed-use areas). She said that 85.6 percent of the multifamily units permitted since the MFTE program began are located in existing RTAs, and very little development has occurred in areas outside of the RTAs.

The goal of the program update is to increase MFTE program utilization while maintaining a balance between the tax exemption and the affordability provided by the housing. Ms. de Regt said that staff's proposed scope of work for the update process includes: 1) public outreach to better understand the impact of the existing program on developers, residents, and the community, 2) analysis of geographic expansion, and 3) evaluation of a number of issues including AMI thresholds, incentive program interactions, unit mix and location within the building, and program administration.

Ms. de Regt highlighted the proposed project schedule to work with stakeholders and to develop and analyze options for Council consideration early next year. A public hearing will be held before adoption of the code mid-2021.

Mayor Robinson thanked staff for their work.

Councilmember Barksdale thanked staff for the presentation and the analysis provided in the packet materials. Based on the analysis, he questioned whether staff identified any incentives that other cities are using that might work in Bellevue.

Ms. de Regt presented a table comparing the MFTE programs in Bellevue, Kirkland, Redmond, and Seattle based on a number of provisions: 1) units created per year, 2) year that MFTE program was adopted, 3) overlap with inclusionary programs, 4) mandatory inclusions, 5) length

of affordability of units, 6) requirement for a minimum number of larger apartments, 7) units available at different AMI levels, and 8) ownership programs. Ms. Johnson noted that jurisdictions can have very different MFTE programs.

Responding to Mayor Robinson, Ms. Johnson confirmed that the cities of Kirkland and Redmond have mandatory inclusionary provisions. The City of Kirkland adopted its MFTE program in 2004, while the City of Redmond adopted its program in 2017.

Councilmember Robertson expressed an interest in reviewing the geographic scope of the MFTE program. She said it would be interesting to see the outcome of allowing the program in all areas with multifamily housing. She said the letter received by the Council today from major employers should be forwarded to staff to prepare responses to the comments and questions. Ms. Robertson encouraged a mix of affordable units and market-rate units within developments. She said a bill has been discussed by the state legislature that would allow cities to extend their tax exemption from 12 years to 24 years. She asked staff to explore the legislative and revenue issues and suggested adding language regarding potential MFTE-related legislation to the City's legislative agenda.

Ms. Robertson expressed concern regarding the non-codified provisions used by ARCH (A Regional Coalition for Housing). She said ARCH has certain requirements that are not required by the Bellevue City Code, including provisions applied to parking, the oversight of leases, and other issues that potentially make it harder for developers to provide housing. Ms. Robertson said she would like to have transparency and clarity going forward about all the requirements for developers.

Councilmember Zahn thanked staff for the thorough information in the meeting packet. She asked whether staff researched cities outside of this region. She expressed an interest in the ownership programs offered by some jurisdictions. She noted that home ownership helps families to build generational wealth. She expressed support for the consideration of micro housing units to provide a broader range of affordability and for expanding the geographic areas designated for the MFTE program. Ms. Zahn questioned whether there would be any negative impacts from expanding the program to all multifamily areas.

Deputy Mayor Nieuwenhuis concurred with Councilmember Robertson's concern regarding the use of non-codified requirements applicable to parking and the oversight of leases. Mr. Nieuwenhuis said he would be willing to consider expanding the program to include all multifamily areas. He noted the importance of avoiding barriers to the development of affordable housing (e.g., onerous parking requirements).

Councilmember Stokes said he is pleased that the Council is supportive of a more aggressive effort to encourage and facilitate affordable housing. He said he hears the comment that Bellevue should do what is best for Bellevue. He said it would be helpful to better understand how Bellevue differs from other jurisdictions (e.g., Kirkland) in terms of implementing the MFTE program. Mr. Stokes encouraged a broader approach in Bellevue to identify the different types of multifamily housing throughout the community. He said the MFTE program is a good tool, and he is hoping to set some more ambitious goals. He encouraged flexibility and a mix of housing

affordability levels within multifamily complexes. Councilmember Stokes said he would like the City to be able to be creative and nimble.

Councilmember Lee acknowledged that the City is not meeting its MFTE program targets. He suggested extensive outreach to developers and builders as part of the review to solicit feedback and suggestions for improving the MFTE program. He said it is important to adopt reasonable and effective provisions and incentives that provide transparency for developers and generate the production of affordable housing units.

Mayor Robinson asked staff to follow up with a scenario of what the map would look like if the City were to focus on all transit-oriented development (TOD) areas, as opposed to RTAs.

Ms. Robinson said she shares her colleagues' concerns regarding certain ARCH policies that go beyond the City's requirements. She is concerned about creating burdensome requirements for developers. She said we have talked about the TOD zone in the BelRed area and how it is the epicenter of a projected station that has never been corrected to the actual station. She hopes the correction can be made to the map soon to reflect that TOD will be centered around the light rail station.

Mayor Robinson said she would like to explore the potential impact of mandatory inclusionary housing. She observed that it has been successful in other parts of the region. She said the City of Bellevue had a mandatory inclusionary provision in the past and it was successful in creating 80-percent AMI housing unit. She is interested in allowing developers to layer incentives to create housing at lower affordability levels as well.

Ms. Robinson referred to Councilmember Zahn's comment about home ownership. Ms. Robinson asked whether there has been any past discussion about a rent-to-own option with the MFTE program. She said the cost to the City of not collecting property taxes for the affordable units is miniscule. She said it would be helpful to have an analysis of that and of whether extending the 12-year tax exemption would have a meaningful impact.

Mr. Cummins said staff will look at the cost impact to the City as it reviews the MFTE program. He said that each time staff looks at the MFTE program and any potential loss of revenue, the Council has generally said that the policy impact of adding affordable units far outweighs the relatively minor impact on lost tax collections.

Regarding the 12-year tax exemption period, Mr. Cummins said that many developers are taking advantage of the land use incentive system as well, which carries a permanency for the units. He said staff will clarify the nuances when it returns with a proposal early next year.

Mr. Cummins noted the Council's comments regarding micro units and inclusionary housing. He said those were contemplated in the Affordable Housing Strategy, which provides clear policy direction as determined by the Council to date. He said the Council will hear more about micro units and other strategies in staff's next update. He recalled that the option of an inclusionary housing requirement was previously discussed but at that time the Council chose to focus first on incentives. He said the issue can be addressed separately from the MFTE program.

Referencing Council comments regarding certain parking requirements, Mr. Cummins said those requirements arise as part of a covenant. He said that most developers talk to City staff about including parking requirements within a covenant. He said staff has been studying the issue for some time. Mr. Cummins said he spoke to the major employers who signed the letter regarding the issue. As the City is looking to require less than one parking space per housing unit, the idea of treating all affordable units in the same way as other units is a conscious decision. Mr. Cummins said that some developers do not want to provide any parking facilities. He noted that he approved a housing project that decouples parking in the Downtown, primarily based on its relationship to transit services. However, he acknowledged that the context around those decisions could likely use clarification. He said staff will initiate an outreach process to address those and other issues.

Mayor Robinson noted the proposed motion to direct staff to initiate work on updating the MFTE program, consistent with the work program and as detailed in the letter from major employers and by the Council discussion tonight.

→ Deputy Mayor Nieuwenhuis moved to direct staff to initiate work on updating the MFTE program, consistent with the work program and as detailed by tonight's Council discussion. Councilmember Robertson seconded the motion.

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

(c) Affordable Housing Strategy Implementation

City Manager Miyake recalled that the Affordable Housing Strategy was initiated in June 2017. He said this spring the Council discussed the ongoing effort to update the plan.

Community Development Director Mac Cummins said that during the most recent discussion with the Council, staff was seeking direction to initiate an implementation strategy within the Affordable Housing Strategy. He clarified that tonight's presentation is the regular twice-yearly Council update regarding the progress of the strategies that have been implemented to date. Mr. Cummins recalled that the plan is a 10-year strategy designed to secure 2,000-2,500 affordable housing units.

Janet Lewine, Senior Planner, said that the 21 actions identified in the Affordable Housing Strategy are being implemented through a phased, multi-year work program. She said significant progress has been made using a number of tools, including the adoption of affordable housing incentives for the Eastgate area and the Downtown. She said the delivery of affordable homes has quadrupled compared to the historical averages experienced before the adoption of the Affordable Housing Strategy.

Ms. Lewine presented a table listing the projects that have added affordable housing units. She noted that 1,218 units/beds have been created since the Affordable Housing Strategy went into effect.

Ms. Lewine highlighted four upcoming projects that will provide more than 600 affordable housing units through a combination of market incentives, land use incentives in the Downtown and BelRed areas, and direct subsidies through ARCH. She said Sound Transit recently announced that it is working with Bridge Housing to develop a mixed-use project in the BelRed corridor, south of Sound Transit's operations and maintenance facility. The proposed project provides 500 housing units, which includes more than 280 affordable units for household incomes between 30 percent area median income (AMI) and 80 percent AMI. Ms. Lewine said the Bridge proposal also includes 400,000 square feet of office space, active ground floor retail, a public park, and other resident amenities.

Ms. Lewine presented a table [Attachment A in meeting packet] summarizing the effectiveness to date of the actions identified in the Affordable Housing Strategy. The overall goal is to add or preserve 2,785 units over the 10-year plan, and 1,307 units have been achieved to date. She summarized the status of the actions that have been implemented. She noted the Council's direction to update the MFTE program, Council funding in July through ARCH to provide shelter beds, and the Polaris at Eastgate project that provides 300 units of affordable housing. A few months ago, the Council initiated Action C-1 to provide a density bonus for affordable housing on faith-based, nonprofit properties and on public properties.

Ms. Lewine presented an updated timeline for the implementation of the Affordable Housing Strategy actions. She highlighted the continuing work program, including items that will be jointly implemented with the Development Services Department (DSD). She said the City will continue to work with ARCH and other regional partners on additional initiatives.

Ms. Lewine said the progress to date indicates that the City can exceed the 10-goal of creating or preserving 2,500 affordable housing units. She said the Affordable Housing Strategy will be achieved through a mix of public policy and private development interests.

Councilmember Stokes thanked staff for the update. He asked why shelter beds are included in the total number of affordable housing units. He noted the goals of providing permanent housing and of decreasing the need for shelters.

Mr. Stokes expressed concern about the increasing and critical need for affordable housing. He encouraged setting more aggressive targets for the City's creation or preservation of affordable units.

Councilmember Lee asked whether the issue of rent to own has been explored by staff.

Councilmember Zahn thanked staff for their efforts to identify solutions for increasing affordable housing. She encouraged a focus on partnerships and affordable housing preservation. She suggested addressing accessory dwelling units (ADUs) as an opportunity for affordable housing. She encouraged moving forward with planning for the 130<sup>th</sup> Avenue transit-oriented development (TOD) area. Councilmember Zahn requested an update on the City's work with faith-based organizations. She reiterated her interest in exploring rent-to-own options.

Deputy Mayor Nieuwenhuis inquired about the basis of the goal to create 2,500 affordable units over the 10-year plan. Referring to the presentation slide summarizing the effectiveness of specific actions, Ms. Lewine said the estimate of 2,500 units was based on the estimated yield reflected for each of the actions in the Affordable Housing Strategy plan. Staff analyzed each action to estimate the number of units that could be achieved within 10 years. Ms. Lewine said staff presented a number of options to the Council and described their estimated impact. She said the estimates were established through a careful analysis.

Mr. Nieuwenhuis observed that partnerships with nonprofit organizations have been the most effective solution to date in terms of creating and preserving affordable housing units. Responding to Mr. Nieuwenhuis, Ms. Lewine said the City has increased its capacity with its nonprofit housing partners over the years, and the Council has provided funding for affordable housing that staff is eager to implement. She said state funding is available as well. She noted that Action C-1 increases the housing density allowed on public surplus and faith-owned properties because those partners are finding it challenging to find property for affordable housing.

Councilmember Barksdale concurred with his colleagues' interest in reviewing and potentially increasing the affordable housing targets. He expressed support for moving forward as quickly as possible.

Councilmember Robertson said she is pleased that the City will achieve its 10-year goal, and she expressed support for establishing more aggressive goals. She encouraged the City to conduct this work within the context of the King County Growth Management Planning Council (GMPC) work underway to update growth and housing targets. She noted that she serves on the committee, which anticipates proposing new targets next year. She suggested that staff explore what the County is doing overall in efforts that relate to Bellevue's housing goals.

Ms. Robertson expressed concern that the City will not achieve the desired types of housing if the actions are not properly implemented. She recalled the work of the affordable housing technical advisory group (TAG), which recommended a mixture of income levels for units within a development. She noted that 25 percent of the units in the South Kirkland Park and Ride development are designated as affordable while the remainder of the units rent at market rates.

Councilmember Robertson said that developments with a mix of income levels seem to be more successful. She opined that developers are more willing to provide affordable housing units when there can also be a favorable percentage of market-rate units. She said the way to achieve more projects is to combine government subsidies, nonprofit subsidies, and private development efforts. She encouraged the consideration of incentives and subsidies to buy a number of affordable units. Ms. Robertson noted that mixing households with different income levels within a development also reduces the stigma of living in an affordable housing unit. She encouraged the Council to explore policies that provide mixed income developments. She asked staff to follow up with information regarding that issue. Ms. Robertson expressed an interest in considering an increase in the term of the tax exemption and affordable housing unit status.

Mayor Robinson thanked everyone for their comments. She noted that if the number of shelter beds and preserved/existing housing units are subtracted from the total number of affordable housing units created to date, the City has created only 565 affordable units. She concurred with her colleagues about the need to consider more aggressive housing targets. She said the City needs to proactively stimulate the development of affordable housing. She said employers speak to the need for a broad spectrum of housing types. Ms. Robinson said that efforts to preserve affordable units were ongoing before the adoption of the Affordable Housing Strategy.

Ms. Robinson noted that 10 percent of Bellevue's housing is affordable to households earning 80 percent AMI. She encouraged a more aggressive approach in creating affordable housing and implementing the actions in the Affordable Housing Strategy.

Referring to Action B-2 regarding accessory dwelling units, Mayor Robinson said she would like to limit ADUs to two occupants and one off-street parking space. She would like to consider micro housing units, especially in TOD areas. She said there are many homeless individuals who could afford to pay \$300 per month. She expressed an interest in an analysis of the potential impact of mandatory inclusionary housing.

Regarding the housing targets, Mayor Robinson said that perhaps it would be beneficial to set a requirement for a certain percentage of affordable housing units in all residential developments. She would like to see a staff recommendation regarding the housing goals. She said that large employers are creating a demand for housing. She would like the City to work with businesses to achieve a full range of housing affordability.

Mr. Cummins said Community Development staff is working with Development Services staff to study a number of issues including parking requirements, zero lot lines, and townhome development. He said a number of efforts are underway, and Action C-1 and the MFTE program provide the greatest potential for achieving more housing at this time.

Mayor Robinson thanked staff for their work.

Councilmember Zahn expressed support for implementing Action C-1 more aggressively and updating the MFTE program. She reiterated her interest in focusing on ADUs and detached ADUs as well.

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

16. Adjournment

At 8:34 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC  
City Clerk

/kaw