

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

June 28, 2021
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 6:00 p.m., with Mayor Robinson presiding.

2. Roll Call; Flag Salute

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

(a) Parks and Recreation Month Proclamation

Councilmember Zahn read the proclamation recognizing the month of July 2021 as Parks and Recreation Month in Bellevue and urged everyone to enjoy and recognize the many benefits of our parks, natural areas, trails and recreation facilities.

3. Approval of Agenda

Mayor Robinson noted two modification to the agenda: 1) add Agenda Item 6(a), Hot Weather Update, and 2) remove Agenda Item 8(f), Resolution No. 9962.

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

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

4. Oral Communications

- (a) Diana Thompson provided comments regarding the Northwest Bellevue Neighborhood Plan presented to the Planning Commission. She said the goals and policies in the plan are drafted to apply to all land uses. She suggested there should be different goals and policies regarding single-family areas. She said it is important for Northwest Bellevue to retain its single-family neighborhoods and expressed concern about higher density redevelopment. She said she opposes detached accessory dwelling units (ADUs). However, if they are allowed, the owner should be required to live on site. She said she has heard comments from neighbors who are opposed to subdivisions and rezones in residential areas. She said owners will charge as much as they can to rent an ADU and the units will not provide affordable housing.
- (b) Mon Wig, Wig Properties, thanked staff for their work and energy directed toward the East Main Land Use Code Amendment (LUCA) work. He noted his interest in creating an iconic development with taller buildings located closer to I-405 and Main Street, and shorter buildings placed closer to 112th Avenue. He encouraged the City to maximize density and to allow mixed use development that provides housing and is financially feasible. He thanked the Council for considering their recommended modifications.
- (c) Tram Tran-Larson, Community Engagement Manager, Housing Justice Project, said the organization provides free legal aid to low-income residents facing eviction in King County. She encouraged the Council to consider a local eviction moratorium and renter protections. She said the governor's extension of the statewide eviction moratorium is short term and offers fewer protections for tenants. She asked the Council to reconsider the potential for enhanced renter protections in Bellevue.
- (d) Bill Thurston, representing the Bellevue Club, thanked Councilmembers for their involvement in the East Main Land Use Code Amendment (LUCA) process. He thanked City staff for their hard work and assistance. He thanked Wig Properties for bringing forward a proposal that is consistent with the vision of the Citizen Advisory Committee (CAC). Mr. Thurston expressed full support for the changes proposed by Wig Properties. He said The Bellevue Club is requesting, due to the non-conforming nature of its existing facility, that code amendments not result in changes to their existing building. He said that future expansion of the club should be exempt from code requirements that are inconsistent with their business and facilities. Mr. Thurston said that mandatory housing is inconsistent with the club's business and other needs of the community.
- (e) Matt Gleason said he is an organizer with the Transit Riders Union and a renter in Bellevue. He expressed concern that the Council is not discussing renter protections tonight and that the governor's extended eviction moratorium actually offers little protections for renters. He encouraged the Council to consider a local eviction moratorium, noting that the consequences of not acting are significant.
- (f) Patience Malaba, Director of Government Relations and Policy, Housing Development Consortium of Seattle-King County, expressed support for the City's update to the multifamily tax exemption (MFTE) housing program. She thanked Mayor Robinson for

her leadership in moving this work forward. Ms. Malaba thanked the City for what it has done to date to address housing affordability.

City Clerk Arredondo noted that Ms. Malaba had signed up to speak during the public hearing regarding the MFTE program and would be allowed to continue her comments at that time.

- (g) Liliana Godinez, Homeless Services Coordinator for the Bellevue School District, spoke in favor of enacting a local eviction moratorium. She noted the growing number of families experiencing homelessness and increasing debt. She said some of the most vulnerable members of the community are affected by housing insecurity, including domestic violence survivors and individuals with disabilities. She noted the critical need for rental assistance, child care, food assistance, and other resources. She said it is important to have legal counsel in place to resolve matters for tenants and landlords and for renters to be able to avoid late fees.

Mayor Robinson noted that Councilmember Barksdale lost his connection to the meeting and would be rejoining shortly.

- 5. Reports of Community Councils, Boards, and Commissions: None.
- 6. Report of the City Manager

City Manager Brad Miyake announced plans to reopen City Hall on July 6.

Mr. Miyake recalled previous discussions with the Council about potentially considering a local eviction moratorium if the statewide moratorium was not extended. He noted that the governor has now announced his plan to extend the moratorium.

- (a) Hot Weather Update

Fire Chief Jay Hagen noted that the region has had record high temperatures over the past few days. He said there is a burn ban in effect due to the high risk of fire danger. He said the City's public messaging includes online updates, alert emails, social media posts, and texts to more than 14,000 news and emergency subscribers.

Chief Hagen said the Fire Department coordinated with local shelters to provide water, Gatorade, washcloths, spray bottles and sunscreen pads to individuals experiencing homelessness. He said the department contacted 14 apartment complexes housing senior adults in advance of the heat to help determine the need for welfare checks over the weekend. Those included 15-30 individuals living in vehicles and outdoors. He said the CARES (Citizen Advocates for Referral and Education Services) team visited one apartment complex to help residents living on the third floor implement measures to mitigate the impacts of the heat. Chief Hagen said that Bellevue Square, The Marketplace at Factoria, libraries, and community centers welcomed people trying to escape the heat. He noted that lifeguards are present at some, but not all, Bellevue beach parks.

7. Council Business and New Initiatives

(a) 2021 Husky 100 Recognition

Mayor Robinson said that each year the University of Washington recognizes 100 undergraduate and graduate students for their contributions and honors them as the Husky 100. They are nominated by their peers, faculty, staff and mentors. She announced that Christopher Hayes, a Bellevue resident, has been named to the 2021 Husky 100. Mr. Hayes has served the community and is completing a Bachelor's degree in law, economics and public policy. Mayor Robinson congratulated Mr. Hayes on his accomplishments.

(b) Council Liaison Appointments to Arts Commission and to Parks and Community Services Board

Councilmember Stokes said that 11 applications were received to fill an open position on the Arts Commission, and five candidates were interviewed. He recommended the appointment of Bhavna Bhargava and noted that she has completed a Bachelor's degree in fine arts and a Master's in Business Administration. Mr. Stokes said Ms. Bhargava is active in the community, including the Bellevue School District, and she has lived in six countries. Councilmember Stokes said the interview panel unanimously selected Ms. Bhargava to serve on the Arts Commission.

→ Councilmember Stokes moved to appoint Bhavna Bhargava to the Arts Commission, serving a term expiring May 31, 2025. Deputy Mayor Nieuwenhuis seconded the motion.

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

Councilmember Zahn nominated Cassidy Giampetro to serve on the Parks and Community Services Board. Ms. Zahn noted that Ms. Giampetro lives in the Lake Hills neighborhood, which is an area that has not had direct representation on the board in recent years. Ms. Giampetro is excited to serve on the board and shares the City's vision for sustainability, innovation and equity. Councilmember Zahn said the interview panel unanimously selected Ms. Giampetro to fill the position.

→ Councilmember Zahn moved to appoint Cassidy Giampetro to the Parks and Community Services Board with a term expiring May 31, 2025. Councilmember Stokes seconded the motion.

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

Mayor Robinson welcomed the new board and commission members.

8. Consent Calendar

→ Deputy Mayor Nieuwenhuis moved to approve the Consent Calendar, with Agenda Item 8(f) removed. Councilmember Lee seconded the motion.

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

- (a) Council Minutes
Minutes of June 14, 2021 Regular Meeting
- (b) Ordinance No. 6581: 1) authorizing execution of a grant agreement (and supplements if necessary) with the Washington State Department of Ecology (Ecology) to accept up to \$203,302 in state Stormwater Financial Assistance Program funding to support the acquisition and upfit of a Compact High Efficiency Sweeper for use in Bellevue; and, 2) amending the 2021-2022 Operating Grants, Donations and Special Reserves Fund to increase the appropriation by \$203,302.
- (c) Resolution No. 9959 authorizing execution of a three year Interagency Agreement between the City of Bellevue and the State of Washington Office of the State Treasurer (“OST”) for investment portfolio management services, in an amount not to exceed \$175,000, plus all applicable taxes. The executed Interagency Agreement shall be substantially in the form of the Interagency Agreement in the Council Library.
- (d) Resolution No. 9960 authorizing the continuation of an existing software maintenance agreement with Advantech Design, Inc, for an additional amount of \$67,058.00, plus all applicable taxes, for a total contract amount not to exceed \$153,968, plus all applicable taxes, for Travel-Time Reporting and Integrated Performance System (TRIPS) software licensing, technical support and software updates in support of the City’s Smart Mobility Plan Implementation Program (CIP Plan No. PW-R-156).
- (e) Resolution No. 9961 authorizing execution of a grant agreement with King County for \$115,384 through the Department of Community and Human Services - Adult Services Division.

Item Pulled:

- (f) Resolution No. 9962 authorizing execution of a three-year contract with PPC Solutions, Inc. for uniformed security guard services at various park sites, with an option to renew for two additional one-year terms, for a total contract amount not to exceed \$900,000, plus all applicable taxes.

Mayor Robinson noted that Councilmember Barksdale had rejoined the meeting.

9. Public Hearing

- (a) Public Hearing and Action on Ordinance No. 6582 amending Chapter 4.52 of the Bellevue City Code - the Multifamily Housing Property Tax Exemption;

correcting typographical errors; revising definitions; designating a single Residential Targeted Area; expanding project eligibility criteria; revising affordability requirements; clarifying distribution of units; adding new sections related to rent stabilization (BCC 4.52.095) and parking (BCC 4.52.097); providing for severability; and establishing an effective date.

City Manager Brad Miyake introduced the public hearing and discussion regarding the City's update to the multifamily tax exemption (MFTE) program. He recalled that the Council initiated the update process in October 2020. The program allows a tax exemption to developers in exchange for providing affordable housing. Mr. Miyake said this topic was last before the Council on May 24, 2021. At that time, the Council directed staff to prepare the package of proposed program updates for tonight's public hearing.

Emil King, Assistant Director of the Community Development Department, said the MFTE program allows for a market-based approach to help meet significant affordable housing needs. The program update is designed to increase the production of affordable housing. Mr. King said there has been a robust stakeholder engagement process to develop the code amendments.

Elizabeth de Regt, Senior Planner, said staff is seeking Council action following the public hearing to adopt Ordinance No. 6582 amending Bellevue City Code Chapter 4.52. She noted the stakeholder outreach and previous discussions with the Council since October 2020. Stakeholders included developers, Bellevue Chamber of Commerce, Housing Development Consortium and Bellevue Downtown Association (BDA). She said one written communication was received today for the public hearing.

Ms. de Regt said the BelRed and Downtown areas are currently eligible to use the MFTE program. The update proposes expanding the eligibility to include multifamily developments in Crossroads Village, Wilburton commercial area, and Eastgate. The MFTE program offers a 12-year residential tax exemption in exchange for developing 20 percent of the units as affordable units. Affordable units smaller than 300 square feet must be offered at 45 percent of the area median income (AMI). The City allows developers to layer the MFTE program with other Land Use Code incentive programs.

A proposed revision to the MFTE program requires all projects to include two-bedroom units totaling 15 percent of all units in the development. Ms. de Regt said that developers have the option to instead choose to offer more affordable housing units (25 percent of units at 80-percent AMI) and/or deeper affordability for more studio and one-bedroom units. The program update requires developers outside of the downtown to offer a 30-percent discount on parking stalls purchased by the affordable tents, and caps rent increases for renewing MFTE tenants to three percent annually. No discounted parking is required in the downtown due to robust access to transit options.

Ms. de Regt said the implementation plan will update the City's website and developer packet materials to create messaging materials for all affordable housing incentives. Staff will monitor the program and report on the program's performance metrics to the Council. The ordinance will amend BCC 4.52 with the code updates.

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

The following individuals came forward to comment:

1. Abigail DeWeese, land use attorney with Hillis Clark Martin & Peterson, spoke on behalf of the Commercial Real Estate Development Association, which is the leading organization for developers, owners and investors of office, industrial, retail and mixed use real estate groups. She expressed support for the proposed changes to the MFTE program. With the number of jobs increasing in Bellevue, there is a significant need for workforce housing. Ms. DeWeese expressed support for the minor clarifying amendments proposed by the Chamber of Commerce. She thanked Emil King and staff for their work with the stakeholder group. She looks forward to continued planning for the East Main and Wilburton areas, as well as the review of the BelRed Plan.
2. Jane Broom, Senior Director, Microsoft Philanthropies, recalled Microsoft's commitment, including a \$750 million investment, to help advance affordable housing solutions through partnerships with local governments, communities, nonprofit organizations and businesses. She said Bellevue needs approximately 34,000 middle and low-income affordable housing units. She noted Microsoft's participation with the Eastside Housing Roundtable, a group of private sector nonprofit organizations focused on increasing the supply of affordable housing. Ms. Broom thanked the Council and staff for their hard work. She expressed support for the suggestions submitted by the Chamber of Commerce.
3. Patience Malaba, Director of Government Relations and Policy, Housing Development Consortium, expressed support for the proposed amendments to the MFTE program. She thanked Mayor Robinson for her leadership in the City's collaborative approach with organizations, businesses, and the community. She thanked Councilmembers for their commitment to addressing affordable housing needs. Ms. Malaba said the Housing Development Consortium looks forward to continued partnerships to increase the supply of housing.
4. Jared Axelrod, Senior Manager of Public Policy, Amazon, expressed support for the MFTE program update. He said Amazon strongly believes in the importance and power of public-private partnerships to address the challenges related to affordable housing. Mr. Axelrod said Amazon will make its first financial commitment from its housing equity fund to preserve 1,000 housing units in partnership with the King County Housing Authority, including 470 units in Bellevue. He said Amazon recently announced a \$100 million partnership with Sound Transit to develop transit-oriented development (TOD) in the region. Mr. Axelrod thanked Councilmembers for their focus on this important subject and for shaping policy that will produce more affordable housing development. He thanked City Manager's Office and Community Development Department staff for

their efforts with private and public partners to create good policy that will meaningfully address affordable housing in Bellevue.

5. Joe Fain, President and CEO of the Bellevue Chamber of Commerce, expressed support for the MFTE program amendments and said he looks forward to working within the community to promote the use of the program. He thanked Mac Cummins, Emil King, and Elizabeth de Regt of the Community Development Department for their extensive work with the Chamber. Mr. Fain said the Chamber submitted a package of six proposed amendments to provide minor clarifications. He thanked City staff for reviewing and refining those suggestions. He thanked Mayor Robinson for her leadership and the Council for their commitment to addressing affordable housing.
6. Matt Jack, Director of Public Policy, Bellevue Downtown Association (BDA), expressed support for the MFTE program update as recommended by the BDA's housing task force. That recommendation was vetted by the BDA's land use and livability committee over a two-month period with a focus on the new rent stabilization component. Mr. Jack said the BDA Board reviewed and expressed support for the MFTE amendments as well. He suggested adding performance metrics to track the success of the program. He thanked the Council and staff for all of their work and support.
7. Meghan Altimore, Director of Community Services and Operational Excellence for Hopelink, said she serves as Hopelink's representative on the Eastside Housing Roundtable. She expressed support for the MFTE program amendments and thanked the Council and staff for their collaborative approach with the community. She said Hopelink employs 350 staff members and utilizes nearly 4,000 volunteers in a typical year. The agency assists nearly 65,000 people annually, including more than 6,000 Bellevue residents. Ms. Altimore noted that housing affordability is a top priority for Hopelink. She said the MFTE program increases the production of affordable housing units for middle income households.

City Clerk Arredondo said the Council received two emails, included in the desk packet, related to the public hearing.

Mayor Robinson thanked everyone for their comments.

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

Councilmember Stokes expressed support for the MFTE program update. He thanked the Bellevue Chamber of Commerce, BDA, community organizations and others who were involved in the review of the program and the development of recommendations. He noted the significant progress since the adoption of the Affordable Housing Strategy in 2017.

Deputy Mayor Nieuwenhuis thanked the speakers for recognizing the extensive efforts of City staff in the area of affordable housing. He thanked the Council for moving this item forward so quickly and for understanding the critical role of affordable and workforce housing in Bellevue. He expressed support for the minor revisions submitted by the Chamber of Commerce. He said he is proud to be a part of this important update to the MFTE program.

Responding to Mr. Nieuwenhuis, Mr. King confirmed that the City will monitor the effectiveness of the MFTE program modifications, including the number of affordable housing units created in different areas of Bellevue, AMI levels of affordable units, parking usage and the layering of housing incentives. Mr. King said the City will work with developers who choose to not use the MFTE program to understand their reasons. He noted that there is a state requirement to monitor and update MFTE programs. In further response to Mr. Nieuwenhuis, Ms. de Regt confirmed the importance of educating developers and the community about the benefits of the program.

Mr. Nieuwenhuis commended the collaborative effort of affordable housing advocates and organizations, Chamber of Commerce, BDA, developers, businesses, and the community.

Councilmember Zahn thanked everyone for their work and expressed support for the proposed program update. She noted the urgent need for housing and encouraged continued partnerships.

Responding to Ms. Zahn, Mr. King said it is unlikely that the U.S. Department of Housing and Urban Development (HUD) will stop publishing the AMI levels related to housing, as referenced in the Chamber of Commerce's first proposed amendment. In further response, Ms. de Regt said the 60 days referenced in the Chamber's second proposed amendment is provided to allow more time for permit applicants to make certain decisions about their projects.

Councilmember Robertson thanked staff, the Council and the community for working together to update the MFTE program. She noted that the previous week, the Growth Management Planning Council (GMPC) approved new countywide planning policies (CPPs) and growth targets. Bellevue's growth targets are 35,000 new housing units and 70,000 new jobs by 2044. She expressed support for the MFTE program update and the revisions proposed by the Chamber. She suggested a revision to the Chamber's fifth proposed amendment to clarify that the maximum rent increase of three percent annually applies only to designated affordable housing units and not to all apartments.

Ms. Robertson asked whether the Council could take action on the MFTE program update, including the Chamber's amendments and her minor clarification, that evening. Mr. King said the agenda memo provided options for the Council's consideration, including option 2 reflecting her suggestion. That option involves adopting the ordinance as presented tonight, holding a public hearing and amending the ordinance later to reflect minor changes within the scope of this effort. Mr. King said staff fully supports the Chamber's suggested revisions. Councilmember Robertson said she supported taking action tonight.

Councilmember Barksdale thanked staff and the community for their collaborative effort. He looks forward to the development of more housing. He asked whether targets are included in the

MFTE program. He asked whether anyone has reached out for feedback from tenants in affordable housing units.

Mr. King said staff set an approximate estimate that 110-160 affordable housing units will be created. He said other targets could be added as well. Regarding engagement with tenants, Mr. King said the City will work with ARCH (A Regional Coalition for Housing) to ensure tenants and building managers are knowledgeable of the new provisions in the MFTE program. He acknowledged the Council's interest in directing staff to think about qualitative feedback loops with affordable housing tenants. He said staff will work on applying that effort to both the MFTE program and other affordable housing projects.

Councilmember Lee said Bellevue is a desirable place to live. He thanked staff for their hard work. He noted how Bellevue has moved from being a bedroom community to an urban center with many new residents and employers. He expressed support for the MFTE program update and the production of more affordable housing. He thanked the City's partners including housing agencies and operators, developers, Chamber of Commerce, BDA, Amazon, and other stakeholders. He said there will be an ongoing need for affordable housing in Bellevue. He noted the benefits of living closer to work including reduced traffic and an improved quality of life.

Mayor Robinson expressed support for the MFTE program update. She said the collaborative and innovative effort to review the plan resulted in a solution that is well-designed for Bellevue. She noted the urgent need for affordable housing and thanked everyone for their work.

Ms. Robinson suggested a minor clarification for items 4, 5, and 6 in the Chamber's suggested revisions. She noted language in item 4 stating: "provides greater clarity around the definition of unit sizes." She suggested the following revised language: "provides greater clarity and consistency with the City's definition of unit sizes as it relates to the proportional unit mix." Similarly, Ms. Robinson suggested the following language for item 5: "provides greater clarity and consistency with the City around the definition of a comparable affordable unit." She suggested the following language for item 6: "clarifies the definition of market-rate parking for the purposes of calculating the MFTE parking discount, consistent with the City of Bellevue's definition."

Responding to Councilmember Robertson, Mayor Robinson clarified that she was reading from a summary of the suggested modifications but would like the language and intent reflected in the code. Mr. King displayed the strike-draft of the proposed code language for the MFTE program update, which includes the Chamber's suggested revisions.

Mayor Robinson reiterated her interest in making the definitions consistent with the City's existing definitions. She does not want to see "affordable unit size" redefined. Mr. King said staff is comfortable with the language as written. If the Council has revisions based on the summary submitted by the Chamber via email, additional review is likely warranted. Mayor Robinson said she was comfortable with the response.

Mayor Robinson asked whether there was Council support for Councilmember Robertson's suggestion to add "affordable" to amendment 5 proposed by the Chamber and others. Ms. Robinson noted a consensus in support of the revision.

Ms. Robinson noted Councilmember Barksdale's request for tracking the success of the MFTE program and for engaging the tenants of affordable housing units to obtain feedback and input. She suggested working with ARCH on the latter. Mr. King said staff is committed to monitoring performance measures related to the effectiveness of the MFTE program.

Responding to Mayor Robinson, City Attorney Kathy Gerla advised that the Council may move forward as discussed tonight.

- Deputy Mayor Nieuwenhuis moved to adopt Ordinance No. 6582, amended to reflect the six amendments submitted by the Bellevue Chamber of Commerce, and the clarifying comments by Mayor Robinson and Councilmember Robertson. Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.

At 7:45 p.m., Mayor Robinson declared a short break. The meeting resumed at 7:55 p.m.

- (b) Public Hearing on Requested Street Vacation of a dead-end portion of SE 1st Street, between Bellevue Way SE and 105th Avenue SE

City Manager Miyake introduced the public hearing regarding the requested street vacation of a dead-end portion of SE 1st Street between Bellevue Way SE and 105th Avenue SE. He recalled that the Council initiated the street vacation process in May and set the public hearing date.

Ira McDaniel, Real Property Manager, said staff is seeking Council direction following the public hearing about whether to proceed with the street vacation. He noted that Bellevue City Code Chapter 14.35.070 provides the criteria to be considered in approving a street vacation. He highlighted the formal street vacation process and the decision criteria in the code. Mr. McDaniel said that when the Council proposes a motion to provide direction to staff, the motion should outline the specific criteria that influenced the Council's decision.

Mr. McDaniel described the location of the proposed street vacation on SE 1st Street, adjacent to the property at 100 Bellevue Way SE. This segment of the right-of-way is an unimproved dead-end road and City staff has no plans to improve the ROW for future use by the public. Mr. McDaniel said there have been no objections to the street vacation from adjacent property owners. If the Council approves of moving forward, staff will return with an ordinance that includes the following proposed conditions: 1) execute access easement across the street vacation area to allow access and trash service for the adjacent parcel with a veterinarian clinic, 2) execute easements for any franchise utilities that have facilities in the vacation area or relocate them out of the vacation area prior to the adoption of the final ordinance, and 3) payment by the petitioner for the appraised fair market value of the vacation area.

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

City Clerk Charmaine Arredondo said the City received one written communication regarding the public hearing, which was included in the Council's desk packet. No one came forward to comment.

- 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 direct staff to prepare legislation, for adoption at a future meeting, approving the street vacation of a portion of SE 1st Street between Bellevue Way SE and 105th Avenue SE, finding the street is no longer required for public use, and the public benefit of retaining the street does not justify the cost of maintenance. Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.

10. Study Session Items

(a) Harborview Medical Center Update

City Manager Brad Miyake introduced the informational briefing regarding Harborview Medical Center.

Sommer Kleweno Walley, Interim CEO, Harborview Medical Center, noted that Councilmember Stokes saw this presentation during the King County Regional Policy Committee (RPC) meeting and asked her to provide the information to the Council. She introduced Steffanie Fain, President of the Harborview Board of Trustees.

Ms. Walley said Harborview's partners include the King County Council, King County Executive, University of Washington Medicine, voters, Harborview Board of Trustees, staff and labor organizations. She thanked Overlake Hospital Medical Center for their partnership as the Eastside's Level 3 Trauma Center. She said both medical centers participate in regional coordination and planning through the Central Region Emergency Medical Services (EMS) and Trauma Council. She noted that Overlake is a strong supporter of the EMS program and serves as a training site.

Ms. Walley said that Harborview's bond program totaling \$1.74 will add 648,380 square feet to the Harborview campus and will renovate 558,840 square feet. The project includes a new bed tower, new emergency department with a helipad, single patient rooms, a new behavioral health services building, and seismic renovations.

Ms. Fain provided additional details regarding the King County Proposition 1 bond program. She said King County, Harborview, and UW Medicine are currently planning the activities necessary to launch the bond projects. The top priority is to ensure that operations at Harborview continue with minimal distractions during the year of construction ahead. Additional activities include developing community engagement and small business plans, drafting sequencing options, and developing pre-design elements. Ms. Fain said the Bond Program Oversight Committee (BPOC) includes representatives from the King County Council and King County Executive, Harborview and UW Medicine leadership, and the Harborview Board of Trustees. The role of the committee is to advise and make recommendations to the King County Executive, King County Council and Harborview Board of Trustees regarding construction-related policy decisions involving the budget, schedule, design, communications, construction and land use permitting strategy. The first meeting was held on May 13 and the group plans to meet quarterly through 2022.

Ms. Walley described the clinical strategic planning process and the Maleng bed capacity project included in the bond program. The first includes a community needs assessment and interviews with internal and external stakeholders, as well as input from front-line staff and providers. The Maleng project will add 40 new single patient rooms over three phases and is funded with \$75 million from Harborview operating funds. She said Harborview is developing a bridge plan to increase the single patient room capacity while the project is under construction. She noted Harborview's expertise in treating infectious diseases.

Ms. Walley provided an update on Harborview's response to the COVID-19 pandemic, including testing, surge planning and response, and vaccinations. Harborview mobilized resources and collaborated with regional colleagues and public health officials to provide outreach and testing. Ms. Walley commended the leadership of Dr. John Lynch, an infectious disease expert at Harborview. She described Harborview's multimodal approach to vaccine distribution and noted the strong partnership with Public Health-Seattle and King County, City of Seattle and community based organizations. Ms. Walley thanked the Seattle Mariners and the Paul G. Allen Family Foundation for their support of Harborview's equity efforts and community partnerships.

Ms. Walley said that as of June 24, 2021, a total of 347,055 vaccination doses have been administered by UW Medicine, which includes Harborview Medical Center. She said Harborview provides comprehensive behavioral health services, including through the Behavioral Health Institute. She described Harborview's work to deliver a behavioral health tele-training series that meets the State's requirements for community-based behavioral health providers. She noted the emergency response to suicide prevention project and the Specialized Treatment for Early Psychosis (STEP) program for youth and young adults.

Mayor Robinson thanked the guests for the presentation. She thanked Harborview staff for their great work throughout the region.

Councilmember Zahn said it was good to see plans for adding single patient rooms at Harborview. She asked whether there might be an opportunity for a partnership with Bellevue College to develop a behavioral health services program.

Kelli Carroll, Director of Special Projects in the King County Executive's office, said she would be happy to facilitate communications with representatives of Bellevue College. She said the County is interested in partnering with any college interested in providing a behavioral health services program.

Councilmember Stokes thanked the guests for the presentation. He noted the Council's appreciation of the overall health care system and the coordinated response to the pandemic. He thanked Harborview for their community outreach and critical services.

Mayor Robinson thanked everyone for their work.

Councilmember Lee expressed appreciation for the important services provided by UW Medicine and Harborview.

(b) East Main Station Area Land Use Code Amendment (LUCA)

City Manager Miyake introduced discussion regarding the East Main Station Area Land Use Code Amendment (LUCA). He said staff prepared the draft code based on the Council Vision and Policies, Comprehensive Plan, and previous direction from the Council. The draft code also references a list of outstanding stakeholder requests and staff's notations regarding possible adjustments. Mr. Miyake noted that two stakeholders spoke earlier during oral communications.

Mike Brennan, Director of the Development Services Department (DSD), noted that staff would introduce a complete draft of the LUCA for the East Main planning area. He said the draft LUCA aligns with the vision and policy direction provided by the Council and sets the path toward future transit-oriented development (TOD) near the East Main light rail station. He said staff is seeking direction to schedule a public hearing for the East Main Station Area LUCA and asking the Council to identify topics in the draft LUCA for which the Council would like additional information. Mr. Brennan highlighted the timeline for the development of the LUCA. He said staff is seeking Council direction about whether to finalize the LUCA and/or to explore additional topics.

Emil King, Assistant Director, Community Development Department, described the extensive stakeholder outreach throughout 2020 and early 2021 with the property owners in the East Main Station area. He said that residents of the Surrey Downs neighborhood have been engaged in the process as well. They have identified issues related to building heights and traffic impacts, and have reiterated the need for neighborhood-serving uses in the TOD area. Mr. King recalled that the vision for East Main in 2035 reflects a vibrant, livable and memorable TOD neighborhood anchored by a variety of housing choices, offices, hotel and supporting commercial uses. The development will benefit significantly from the implementation of light rail in 2023.

Mr. King summarized the direction provided by the Council in July 2020 to: "draft the Land Use Code using the Downtown OLB-S code as a starting place, consistent with the East Main Comprehensive Plan, while incorporating the four points raised in the recent letters from stakeholders. Also to include addressing pedestrian-bike connectivity and affordable housing incentives..." The four points are to: 1) use the through-block connection framework for pre-

located streets, 2) use the alleys with addresses framework for potential streets, 3) broaden the active uses definition, and 4) reduce minimum parking ratios and allow maximum ratios to be the same as in the downtown.

Mr. King said the East Main LUCA provides opportunities for increasing development density in exchange for providing certain public benefits. Staff proposes a base FAR (floor area ratio) of 2.5 for non-residential development and 3.5 for residential development. Mr. King said the incentive is consistent with the City's interest in affordable housing, child care services, open space, and leveraging the future development potential around the station.

Trisna Tanus, Consulting Attorney, DSD, described the roles of the documents involved in the LUCA process. The Comprehensive Plan provides the vision, priorities and baseline expectations for future development and is flexible enough to ensure that responsive zoning may be implemented. The Land Use Code describes what is permitted and sets development standards and requirements. A development application submits the developer's design concept for approval by the City and details what will be built and where.

Ms. Tanus said the LUCA focuses on three primary topics: urban form, housing and code structure. Urban form includes walkable blocks, multimodal connectivity, and residential development with affordable housing, child care services, open space and potential streets. The LUCA encourages a variety of housing sizes for different income levels. The LUCA has been drafted to ensure consistency with the city code framework and processes.

Ms. Tanus presented a list of stakeholder requests. Suggestions under the topic of urban form are to increase the maximum building height, eliminate the requirement for setbacks for residential towers below 80 feet, and expand the exception to block length. Housing related suggestions are to reduce the minimum housing requirement, accept condominiums as affordable at 100 percent AMI (area median income), and allow fee in lieu for affordable housing incentives. In the area of code structure, stakeholders have requested an expansion of the exceptions for nonconforming uses and the use of development agreements.

Mr. Brennan said staff is seeking Council direction to schedule a public hearing to take public comment regarding the East Main LUCA, as well as Council input regarding any topics in the LUCA for which the Council would like more information.

Mayor Robinson reiterated that the issue before the Council at this time is whether to proceed with the public hearing and to request more information from staff. She suggested that there is no need to be redundant if somebody has already represented a point of view. She referred to the list of suggestions submitted by the two key stakeholders related to the redevelopment of the East Main area: The Bellevue Club and Wig Properties. She suggested going through the list for Council comments.

Councilmember Robertson noted the urgent need for housing, especially given the projected job growth in Bellevue. She said the East Main site near the light rail station needs to be developed with the objective of achieving that vision for growth. She expressed concern that not increasing building heights will negatively impact the development of affordable housing and office space.

She noted that increased building heights can allow for more open space at ground level. She would like the Council to give direction to staff to explore the issue further. She expressed support for allowing increased building heights.

Councilmember Stokes concurred and noted the need to increase development density in Bellevue where possible, particularly in transit-oriented development (TOD) areas. He encouraged a continued focus on facilitating the development of affordable housing.

Mayor Robinson asked how the City can trigger the increased building heights. She would like staff to look at how Bellevue can achieve 80-percent AMI or lower affordable housing in the East Main area.

Councilmember Zahn concurred with her colleagues about the importance of encouraging the development of affordable housing. She is willing to increase building heights. She said the City needs to make sure that the values and guiding principles established for the East Main TOD area are reflected in the availability of housing and other amenities.

Councilmember Lee concurred with Councilmember Robertson's comments. He said this is a major opportunity for the community. He said the development of housing must be economically feasible, which can more easily be achieved with increased building heights. Mr. Lee expressed support for increased building heights.

Mayor Robinson noted that there are 15 stakeholder requests to discuss and suggested that Councilmembers be brief and concise in their comments.

Deputy Mayor Nieuwenhuis thanked staff for their work and commended the collaboration between the City and stakeholders. He suggested bringing back all of the yellow coded items on the stakeholder request list for further information and discussion. He observed that there appears to be slight differences between stakeholders on some of the issues. He suggested putting all of those on the table before finalizing the LUCA. He expressed support for moving forward with the public hearing before the Council's August recess.

Mr. Nieuwenhuis suggested discussion regarding the SEPA (State Environmental Policy Act) study, building heights, and a comparison of the Downtown and BelRed codes with the codes proposed for the East Main area.

Moving to the next item (Wig 4 suggestion), Mr. Nieuwenhuis expressed support for obtaining more information about the proposal regarding floor plates and stepbacks.

Councilmember Zahn noted that the Wig 4 suggestion is not supported by City staff. She would like to understand how it deviates from the vision and guiding principles for the East Main area. She said it is important to be clear about the impacts.

Mayor Robinson said she wants to be sure that, if the Wig 4 revision is incorporated into the LUCA, the resulting development looks like what is currently proposed. She said there have been instances in which property owners upzone their property with a proposal of what they plan

to build. However, they then sell the site and it becomes something very different. Mayor Robinson said she wants to ensure that the redevelopment is consistent with the vision for the area.

Councilmember Robertson expressed support for the Wig Properties' preferred site plan. She would like a cross-check to determine whether any existing code provisions would prohibit or confirm the plan. She expressed support for the Wig 4 request regarding floor plates and stepbacks. She expressed concern about taking FAR away from potential housing development.

Mayor Robinson moved forward to discuss the Wig 7 request.

Responding to Councilmember Robertson, Mr. Brennan suggested that future Council discussions could be organized by topic, and clearly housing is a top priority. Mr. Brennan said that, from what he is hearing, the Council will be interested in discussing all of the stakeholder requests coded in yellow. He said the items coded green could be packaged as well for a more efficient discussion.

Mayor Robinson noted the Council's interest in 80-percent AMI housing, walkability, open space, and the original guiding principles for the East Main area.

Councilmember Robertson concurred with Ms. Robinson and said she would like to discuss the items coded green if a Councilmember has highlighted the issue.

Responding to Councilmember Zahn, Mr. Brennan said the pedestrian path extends from 112th Avenue to 114th Avenue. He said bike access along 112th Avenue, Main Street and the pre-located street within the East Main area would be available. Mayor Robinson suggested that staff bring back more information regarding bike facilities.

Mayor Robinson noted a consensus to bring the Wig 9 proposal regarding block length back for further discussion. She suggested continuing through the Wig proposals before considering The Bellevue Club proposals.

Deputy Mayor Nieuwenhuis said he would like the Wig 2 proposal regarding the percentage of housing units to come back to the Council for additional consideration.

Mayor Robinson noted a consensus to bring back the Wig 5 proposal regarding affordable housing condominiums and fee in lieu for affordable housing requirements.

Mayor Robinson expressed support for staff's recommendation regarding the Wig 3 proposal addressing nonconforming provisions.

Councilmember Stokes expressed support for the Wig 6 proposal allowing a development agreement for the East Main redevelopment and suggested further discussion. Mayor Robinson said the item will be brought back for a future discussion.

Mayor Robinson noted a consensus in support of staff's recommendation regarding the Wig 10 request related to the affirmative allowance for below-grade parking structures.

Ms. Robinson moved to review the Bellevue Club's suggestions.

Councilmember Stokes asked whether it is necessary to address the Bellevue Club issues at the same time as the Wig Properties' items. He said he did not see any interconnectivity between the two development plans. He suggested completing Wig Properties' items and coming back to the Bellevue Club's requests.

Mr. Brennan said there is a relationship between the two development plans in the areas of nonconforming uses and other topics. He noted issues related to exempting housing. He suggested it would be efficient to discuss the priorities of the two stakeholders in the areas where they overlap. Responding to Mayor Robinson, Mr. Brennan confirmed that the nonconforming provisions would apply to the Bellevue Club.

Mayor Robinson said the Bellevue Club 6 proposal has already been resolved.

The Bellevue Club 1 revision requests no residential requirement for the expansion of the athletic club and hotel.

Councilmember Robertson commented that the difference between the East Main and BelRed plans is that, when the Planning Commission and the Council created the BelRed Plan, the goal of the nonconforming uses rules was to allow existing businesses to remain in the area. The other goal was to eventually see redevelopment and to move away from industrial uses and toward mixed use development. She does not see the Bellevue Club in the same way. She is not a member. However, the club is an amenity that will become even more relevant as growth and development continue in Bellevue. Ms. Robertson supports allowing the Bellevue Club to redevelop and expand if desired without requiring a change in their use. She wants to retain the club at its current location.

Mayor Robinson concurred and asked staff to return with code language addressing a change in the purpose of use. If the club moved away and redevelopment occurred on the property, however, she is open to considering other uses. She said the potential expansion of the club should not trigger numerous other requirements.

Councilmember Zahn concurred with the comments about the Bellevue Club. However, she expressed an interest in the consistency of handling nonconforming uses. She recalled the zoning decision for the nursery on Bellevue Way and asked about the potential for setting a precedent and the possible impacts. Mayor Robinson opined that the two cases are consistent because both uses, nursery and athletic club, are maintained.

Councilmember Lee said he also is not a member of the Bellevue Club. However, he concurred with Councilmember Robertson that the club is an important community asset.

Mayor Robinson said Councilmember Robertson presented over-arching comments about the Bellevue Club site and asked for Council feedback.

Councilmember Stokes suggested that separating the Wig Properties and Bellevue Club requests would be more effective and efficient for the Council and staff, as suggested by Mr. Brennan.

Deputy Mayor Nieuwenhuis asked staff return with more information regarding the Wig 6 request for the option to create a development agreement.

Councilmember Zahn noted that if the Bellevue Club ever closes, the underlying code will apply to future redevelopment and uses.

Responding to Mayor Robinson, City Manager Miyake asked Mr. Brennan to summarize the Council's list of items for further information and discussion.

Mr. Brennan noted the Council's interest in code language that allows the Bellevue Club to continue its current use and to allow for expansion of the use without being subject to the provisions of the code that would trigger requirements related to housing and other amenities. He said staff would need to explore options for that type of code revision and return to the Council for further discussion.

Mayor Robinson confirmed that the Council is interested in an alternate direction regarding code recommendations for the Bellevue Club. She noted broad support for initiating the public hearing to gather community input.

Mr. Brennan said staff will schedule the public hearing as soon as possible. Staff will return with more information on the requested amendments and address the Council's feedback tonight.

- Deputy Mayor Nieuwenhuis moved to direct staff to schedule a public hearing on the East Main Land Use Code Amendment (LUCA), and Councilmember Robertson seconded the motion.
- The motion carried by a vote of 7-0.

Responding to Councilmember Robertson regarding the SEPA review, Mr. Brennan said staff will find a procedural path to fulfill the Council's direction. Ms. Robertson asked whether staff could return first with any items subject to SEPA review. He said staff will work on organizing the issues and stakeholder requests for continued discussion.

(c) Regional Issues

Lacey Jane Wolfe, Assistant Director, Intergovernmental Relations, introduced Briahna Murray, Vice President with Gordon Thomas Honeywell governmental relations firm, to provide an overview of the state legislative session.

Ms. Murray said this was a long legislative session and a comprehensive written report has been provided to the Council. She noted that the federal American Rescue Plan Act approved in 2021 provided \$4.25 billion to the Washington state budget. As a result, the state legislature approved the largest operating and capital budget in recent history.

Ms. Murray said that transportation-related revenues continued to stay at an all-time low throughout the legislative session, and there is no predictable return to pre-pandemic revenue collections. The City's advocacy focused on two areas. The first is continuing to deliver projects along the I-405 corridor to be funded with toll revenues. The decline in revenues during the pandemic created a delay in the bonding of the toll revenues. The legislature was encouraged to deliver the I-405 projects in a timely manner, prior to the implementation of bus rapid transit (BRT) through the corridor. Ms. Murray said there was good progress on this issue. However, there is more work to be completed.

The second key transportation focus was advocating for additional projects to receive funding. The City partnered with the Bellevue Chamber of Commerce to prioritize six projects that are important for supporting growth. In order to fund the additional projects, the state legislature needs to adopt an additive transportation revenue package. She said the City of Bellevue received funding for the SR 520/124th Avenue interchange (\$175 million), Bellevue segment of Eastrail (\$18 million) and the Mountains to Sound Greenway trail (\$6.9 million). If the state legislature is able to reach an agreement on a transportation revenue package, the City is well positioned to receive more funding for those and other projects.

Ms. Murray provided an update on legislation related to affordable housing and homelessness, which included historic investments in rental assistance, the Housing Trust Fund, rapid housing acquisition and other areas. At the City's request, the legislature allocated \$2 million to the Eastgate shelter. She said that is a significant investment and more than what most other jurisdictions received.

The state legislature made a number of policy changes related to affordable housing and homelessness. They approved HB 1070, which authorizes the City to use HB 1590 sales tax revenues for property acquisition instead of limiting the usage of funds to new construction only for affordable housing. SB 5160 outlines a process to be implemented when the eviction moratorium ends on September 30. The legislature approved two bills related to improving planning for affordable housing that preempt local control: HB 1220 and SB 5235. Ms. Murray said the City will be required to adopt code changes for consistency with the new legislation. She noted that, without the City's strong advocacy, the required code changes would have been far more significant.

Ms. Murray said that criminal justice reform was a strong theme of the legislative session, and a package of more than 12 police reform bills passed into law. Those include establishing a duty to intervene for police officers who observe another officer engaging in excessive force; banning of neck restraints, choke holds and no-knock warrants; and strong restrictions on the use of tear gas. The state legislature allocated \$20 million in one-time funds statewide for distribution to cities based on \$4 per capita to implement the changes in the police reform bills.

The legislature also responded to the Washington Supreme Court's Blake Decision issued during the session, which stated that the statute making the possession of controlled substances illegal is unconstitutional. The legislature responded by temporarily recriminalizing the possession of controlled substances as a misdemeanor instead of a felony. That statute will expire on July 1, 2023, and a group will be developing recommendations for consideration by the state legislature at that time. In addition, an individual must be offered drug diversion treatment twice before they can be arrested or issued a citation.

Matt McFarland, Assistant City Attorney, commented on two bills that affect the City's Land Use Code. The first is SB 5235, which addresses local authority to regulate the number of unrelated persons living in a dwelling unit or home. Under the bill, cities may only limit the number of occupants based on the occupant load per square foot and/or existing health and safety provisions in the code. The law goes into effect on July 25. He noted the need to update the Land Use Code to comply with the new law. Staff will bring back an interim official control (IOC) ordinance for Council consideration. Mr. McFarland said the bill made an exception for short-term rentals and transient lodging, which the City may regulate separately.

The second bill, HB 1220, will require quick action by the City before the effective date. That legislation addresses the municipal regulation of supportive housing, transitional housing, emergency housing, and indoor emergency shelters. The bill states that cities must allow transitional housing and permanent supportive housing in zones where residential units and hotels are allowed. Cities must allow indoor emergency shelters and emergency housing in areas zoned to allow hotels. Mr. McFarland said that development services staff will bring back an interim official control (IOC) ordinance for consideration by the Council to address the state mandate.

Responding to Mayor Robinson, Mr. McFarland said the deadline for complying with the transitional housing and supportive housing regulations is July 25. The deadline for addressing emergency shelters is in September. Staff plans to prepare two separate IOCs now to address all of the issues.

Responding to Councilmember Robertson, Mr. McFarland said staff has not yet briefed the East Bellevue Community Council (EBCC). However, he will follow up with staff.

Responding to Mayor Robinson, Mr. McFarland said the anticipated schedule is to return to the Council with the IOCs to bring the City into compliance as soon as possible, to be followed by the public hearing required within 60 days, preferably before the Council's August recess. City Clerk Arredondo said that both IOCs are scheduled to come before the Council on July 12, and the public hearings are scheduled for August 2.

Councilmember Zahn requested more information regarding the eviction moratorium bridge plan implemented by the governor. She noted the importance of preventing evictions. As a separate topic, Ms. Zahn asked whether the City should amend its MFTE program update to take advantage of the new state law allowing extensions of the MFTE status beyond 12 years.

Ms. Murray said she would follow up with more information about the eviction moratorium plan. Regarding the MFTE program, she said that if the City authorizes a 12-year MFTE period following the effective date of the legislation (July 25), the City will have the option at the end of the 12 years to extend the MFTE status for an additional 12 years.

Mayor Robinson thanked staff and the Council for their work and discussion.

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 9:55 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

/kaw