

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

July 26, 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 6:07 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 Robertson led the flag salute.

(a) Police Chief Stephen Mylett Commendation

Councilmember Robertson read the commendation recognizing Police Chief Stephen Mylett's professionalism, dedication and service to the community and to the Bellevue Police Department.

Deputy Mayor Nieuwenhuis thanked Chief Mylett for his commitment to the community over the past six years. Mr. Nieuwenhuis complimented Chief Mylett's community-based policing approach, outreach to minorities and immigrants, restoration of the bike patrols and the formation of the citizen advisory councils. Mr. Nieuwenhuis commended Chief Mylett's leadership during some challenging times and wished him well in his next position.

Councilmember Lee commented on the importance of public safety as a critical local government function. Mr. Lee said that Chief Mylett is widely respected by the Council, the Police Department and the community. Mr. Lee praised Chief Mylett's ability to connect and communicate with the public, as reflected in his emphasis on community policing.

Councilmember Stokes recalled going to the mosque with Chief Mylett after the fire and seeing how well he connected with the public and demonstrated his commitment to the community. Mr. Stokes thanked Chief Mylett for his leadership during the protests throughout 2020, especially following the murder of George Floyd by a police officer in Minnesota in May 2020. Mr. Stokes said Chief Mylett will be a great chief for the City of Akron.

Councilmember Robertson thanked Chief Mylett for his service to Bellevue and acknowledged the challenge of being a leader in a difficult and often dangerous profession. Ms. Robertson said Chief Mylett strengthened the Police Department and Bellevue's reputation across the region. She said he also strengthened relationships within the Police Department and with City staff and the community. Ms. Robertson said she was sorry to see Chief Mylett go but she wished him all the best.

Mayor Robinson thanked Chief Mylett for serving the Bellevue Police Department so well through a number of challenges including the pandemic, protests, and the May 31, 2020 looting and rioting. Ms. Robinson praised Chief Mylett's engagement with the community and said he has been a source of strength for the Police Department and City leadership. Mayor Robinson said she will miss Chief Mylett and she wished him well.

Councilmember Zahn thanked Chief Mylett for choosing to work in Bellevue. She praised him for leading by example and for understanding the value of learning about and engaging with the community. She concurred with Councilmember Stokes's appreciation for Chief Mylett's presence and leadership following the mosque fire. Ms. Zahn recalled how important it was that Chief Mylett met with the community following a shooting near Stevenson Elementary School. She wished him well in Akron and said they will benefit from his ability to lead with heart while addressing the tough challenges of modern policing.

Councilmember Barksdale concurred with his colleagues' comments regarding Chief Mylett's leadership and ability to engage with everyone in the community. Mr. Barksdale said he appreciated their conversations about race and policing. Mr. Barksdale wished Chief Mylett well and said he knows he will be welcomed in Akron.

City Manager Brad Miyake thanked Chief Mylett, on behalf of the City's executive leadership team, for his tremendous service to the community. Mr. Miyake noted Chief Mylett's strong support for the One City culture and core values of stewardship, commitment to employees, innovation, integrity and exceptional public service. Mr. Miyake said Chief Mylett will be missed and he wished him the best of luck.

Chief Mylett said he was humbled by the kind words and conflicted about leaving. He said Bellevue is a special place and working here has been his privilege and the highlight of his career. He thanked Mayor Robinson and past and current Councilmembers for their unwavering support of the Police Department. He said the Council has been open to new ideas and collaboration. Chief Mylett thanked Mr. Miyake for the trust he showed in hiring him.

Chief Mylett praised the teamwork and effectiveness of the City's leadership team. He has been honored to know and to serve with all of his colleagues. He thanked the community for supporting and engaging with him and the Police Department.

Chief Mylett said the men and women of the Bellevue Police Department are some of the best police officers and civilian staff in municipal government. He said the department works from a mindset of community policing and officers care about the community. Chief Mylett attributed his success to the people he has been able to work with on a daily basis. He said Bellevue will always have a special place in his heart.

(b) Americans with Disabilities Act (ADA) Week Proclamation

Councilmember Zahn read the proclamation recognizing the week of July 25-31, 2021 as Americans with Disabilities Act (ADA) Week in Bellevue and urged all residents to support disability equity and to recognize and value the contributions of community members with disabilities.

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) Paul Bruno, a member of the Bellevue Chapter of People for Climate Action (PCA), thanked the Council for supporting climate action initiatives and staffing. He thanked Councilmembers for their interest in accelerating the City's environmental stewardship work program. He highlighted the history of Bellevue's community wide greenhouse gas (GHG) emissions and said the information is available on the City's web site. Bellevue's emissions have been relatively flat over the past nine years. However, they need to decrease to meet the 2030 target.
- (b) Barbara Braun, a member of PCA Bellevue, thanked Councilmembers for their interest in much bolder action to address sustainability. She shared a comparison of the resources devoted to sustainability in Bellevue and four other cities. She noted that the City of Bellevue spends \$4.61 per resident for sustainability efforts while comparison cities are spending from \$11.49 per resident to \$54 per resident on sustainability work. She said the four other cities have 7-18 sustainability staff positions, while the City of Bellevue has only two dedicated staff. She encouraged a robust effort throughout City departments for an integrated approach to sustainability in all of the City's work.
- (c) Court Olson, a member of PCA Bellevue, said they were encouraged last week to hear support on the Council for the expedited implementation of the Environmental Stewardship Plan. He urged the Council to allocate funding to hire three new

environmental stewardship staff now. He encouraged additional budget and staffing increases, to a total of eight staff positions by 2023.

- (d) Julia Tai expressed support for the Council's efforts to establish a work program to address permanent supportive housing. She said she has participated on the Congregations for the Homeless (CFH) advisory council since January 2012, and she currently serves on the CFH Good Neighbor Agreement Advisory Committee. She said some residents have raised concerns regarding the Eastgate permanent supportive housing project. She encouraged the City to consider setting standards for supportive housing operators, similar to the standards set for emergency shelters regarding health, safety and other issues. She said it is important to ensure that effective supportive services are provided to the housing residents.
- (e) Tzachi Litov, an Eastgate resident, said he has been involved with the CFH shelter process since 2016, and he currently serves with Ms. Tai on the CFH advisory council and the GNA Advisory Committee. He said the Eastgate project has expanded to a 100-bed supportive housing facility to be operated by Plymouth Housing, as well as 300 workforce housing units. He expressed concern that the permanent supportive housing component is treated like a hotel or motel, with none of the oversight required of an emergency homeless shelter. He expressed support for Councilmember Robertson's efforts to establish standards and requirements for permanent supportive housing.
- (f) Karen Morris said that she and a group of neighbors are concerned about a long pattern of practices by three groups: Tent City 4 Share/Wheel, Temple B'nai Torah and, at times, the City. She said residents have documented examples of their concerns over the past 15 years. She expressed concern that the encampments are not complying with all code requirements, including the length of stay requirement. She said the City recently granted a second 90-day extension for Temple B'nai Torah's encampment. Citing the rules governing the length and frequency of encampments, Ms. Morris said an encampment should not be allowed at Temple B'nai Torah again for 36 months. She encouraged moving people into indoor shelters and hotels that have been designated for individuals experiencing homelessness.

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

6. Report of the City Manager

- (a) Eviction Resolution Program - Bellevue Conflict Resolution Center
[Written report only; no presentation.]

City Manager Brad Miyake noted the management brief regarding the eviction resolution program.

At 6:58 p.m., Mayor Robinson declared a short break. The meeting resumed at 7:12 p.m.

7. Council Business and New Initiatives

(a) Work Program Around Impact Mitigation for Permanent Supportive Housing

Mayor Robinson asked Councilmember Robertson to describe her proposal for the work program related to permanent supportive housing.

Councilmember Robertson talked about the importance of providing effective supportive services to help individuals stay in permanent housing. She recently attended the memorial service for her brother, who suffered from paranoid schizophrenia and experienced homelessness since the 1980s. Fortunately, through the help of a social worker, he was placed in supportive housing eight years ago where he received treatment for his mental illness and was able to live in an apartment adjacent to open space that allowed him to enjoy the outdoors.

Ms. Robertson said supportive services were critical to keeping her brother housed and she is grateful he experienced the care and stability of permanent supportive housing. She wants to ensure there are appropriate standards for permanent supportive housing projects funded by the City. She said the items in her proposal are intended to provide individuals with the best chance for success. She said she supported the City imposing the HB 1590 tax instead of King County because she believes that Bellevue can do things better. She believes the primary focus of permanent supportive housing should be helping individuals and providing a stable environment.

Ms. Robertson noted the numerous initiatives underway in human services and housing-related funding. She said this is the ideal time to discuss and establish standards for permanent supportive housing to ensure that the services provided are effective.

Councilmember Robertson presented a list of items that she would like the Council to consider including in the development of standards for permanent supportive housing. She said the items could be addressed either through the funding agreements with agencies or through the Land Use Code.

Topic area c.i, preference for placing residents from Bellevue shelters in local permanent supportive housing, is already in the work plan. The five remaining topic areas to consider adding to the work plan include two items listed under c.ii: 1) interior maintenance and habitability (which is not in the work plan), and 2) exterior property standards and maintenance (already included in work plan). The additional topics to consider are requirement for certain on-site supportive services (c.iii), requirement for staff/caregiver to residents ratio (c.iv), requirement for a safety and security plan (c.v), and neighborhood outreach and relationship building (c.vi).

Councilmember Robertson asked Councilmembers to support her request for an exception to the eight-hour rule regarding staff time in order to allow time to study and consider whether to address permanent supportive housing as she outlines in her proposal.

Mayor Robinson invited Councilmembers to comment on the five topic areas proposed for the permanent supportive housing work plan.

Councilmember Stokes thanked Councilmember Robertson for bringing her proposal forward.

Mr. Stokes objected to the use of “impact mitigation” in the title of this agenda item. He said it implies that the people who need help are bad people who pose a threat to the community. He opined that some people see this as Bellevue making it hard to place individuals where they can receive help within the community. He said neighborhoods around permanent supportive housing are not any less safe than other neighborhoods and areas of the community.

Councilmember Zahn offered her condolences to Councilmember Robertson for the loss of her brother. Ms. Zahn concurred with the premise of focusing on what is needed to provide the best opportunity for success. She asked which conditions are the most conducive to a program’s success and the extent to which the City can ensure that the program meets individual needs. Ms. Zahn proposed reframing the discussion by looking at how to center the agencies providing effective supportive services and how to collaborate to consider best practices. She recalled the Council’s initial experience creating the multifamily tax exemption (MFTE) program before engaging with the development community to fully understand what would work for them. Ms. Zahn expressed concern about prescribing practices that do not actually result in the most successful supportive housing situation.

Ms. Zahn posed the following questions regarding the items identified in Councilmember Robertson’s proposal: Are these the factors that supportive housing providers would say are the greatest contributors to success and positive outcomes for individuals and the broader community? What would it take for the City to look at increasing the HB 1590 funding so that the things we are talking about here are incorporated into the resources to be provided with supportive housing? Is placing regulations in the Land Use Code the only way the City can ensure success? Ms. Zahn said she was not sure whether the Land Use Code is an appropriate place for the proposed standards.

Mayor Robinson indicated that staff will respond to all of the questions after everyone has the opportunity to comment.

Councilmember Lee thanked Councilmember Robertson for spending the time to develop her proposal. Mr. Lee acknowledged that everyone wants permanent supportive housing to be successful in helping people maintain housing and receive assistance for behavioral and health issues. He said that providing a building is not enough and supportive services are critical to the program’s effectiveness. He suggested working with housing providers and other professionals to address standards and best practices. He noted that there might be additional topic areas to consider. He concurred with Councilmember Robertson that this is a good time to consider policies regarding permanent supportive housing.

Councilmember Barksdale extended condolences to Councilmember Robertson and her family following the loss of her brother.

Mr. Barksdale concurred with Councilmember Stokes perspective about whether we are centering the vulnerable population in our community who are experiencing chronic

homelessness and are in need of social and health services. Mr. Barksdale said the City has been working to provide affordable housing and to lower the barriers to providing affordable housing. However, he expressed concern that the proposal could be seen as the City trying to create a barrier. Councilmember Barksdale said housing operators have already demonstrated that they are incentivized to ensure the program is contributing to residents' success and stability. He wondered whether there was a way to approach this differently and to create educational materials with best practices and guidelines for housing operators.

Deputy Mayor Nieuwenhuis said the Council is united in its commitment to permanent supportive housing. He said Councilmember Robertson's proposal reflects an interest in high-quality supportive services. He thanked residents, many with expertise in housing and human services, for their involvement and interest in finding the best solutions for Bellevue. Mr. Nieuwenhuis expressed support for proceeding with an analysis by staff regarding the issues identified in Ms. Robertson's proposal. Mr. Nieuwenhuis thanked Councilmember Robertson for bringing the issues forward and expressed condolences to her and her family.

Mayor Robinson said her experience as a physical therapist, including work with individuals experiencing homelessness, taught her that people cannot improve their situation without stable housing. She expressed concern about whether this effort is equitable or whether it creates new barriers and asked staff to look into that issue. She wondered whether it would slow down other permanent supportive housing projects. She expressed concern about individuals with disabilities who are not able to live independently and remain housed.

Ms. Robinson asked whether there are sufficient resources, including staffing, to explore the issues raised by Councilmember Robertson. She asked whether stakeholders should be involved in establishing best practices.

Councilmember Robertson said she did not write the term "impact mitigation" or notice that it was the title of the agenda item. She agreed that it sends the wrong message about what she would like to achieve. She said most of the items for consideration are not in the Land Use Code, but they can be included in the funding agreements with grant recipients. She said the City should help fund the supportive services it would like to see in the housing developments. She suggested that standards and expectations could be incorporated into an operations agreement with a housing operator. She would like to see the development of best practices to address the issues she has identified.

Councilmember Stokes thanked Ms. Robertson for her comments and encouraged moving forward as quickly as possible.

Councilmember Zahn expressed concern that including the standards in the Land Use Code or in funding agreements could slow down the process.

Councilmember Lee said there may be other factors that contribute to the success of permanent supportive housing that have not yet been identified. He expressed support for providing more resources if needed.

Councilmember Barksdale said he is curious about the cost and schedule implications related to creating an operations agreement. He asked whether the alternative of providing written educational materials on best practices to housing operators would help achieve the Council's goals.

Mac Cummins, Director, Community Development Department, responded to the questions raised by the Council. He noted questions related to the list of items and whether there might be other best practices to consider. He said the list was created by Councilmember Robertson and staff did not conduct a separate analysis to identify additional items. He suggested that housing providers could recommend additional best practices to consider.

Mr. Cummins noted the question of the right place to document the standards and operational conditions. He said significant analysis would be needed to assess the implications of placing items in the Land Use Code or in individual funding agreements with agencies. He said he heard interest from several Councilmembers in understanding how more specific requirements might affect the ability to deliver and site permanent supportive housing in Bellevue.

Mr. Cummins asked whether the Council would like staff to conduct an evaluation and analysis of items for potential implementation as a more formal set of approved conditions, versus creating informational material for operators of permanent supportive housing.

He noted questions about equity and whether the requirements create barriers. He said staff could conduct that analysis and return for further discussion. Referring to questions about whether there is sufficient staffing to conduct this work, Mr. Cummins said the City has housing staff, planners and other staff related to the topical areas. However, the items under discussion are not currently in the work plan.

Mr. Cummins said that if the Council directs staff to study the items as identified, they will return with recommendations on each item and an analysis of how this all fits with the overall continuum of care model in the community.

Mayor Robinson said one issue is whether to direct staff to analyze the issues identified by Councilmember Robertson, with or without additional standards and practices not yet identified. Ms. Robinson asked whether the Council wants to recommend best practices or to codify them, potentially in the Land Use Code. She suggested that if the Council directs staff to look at potential requirements and standards, it should include direction to explore any other best practices recommended by staff or stakeholders.

Councilmember Robertson expressed support for looking at additional best practices beyond her list. She said it will be difficult to determine where to place requirements or standards until we know more about the best practices and whether they create any challenges for the development of permanent supportive housing.

Councilmember Zahn asked which projects are likely to be impacted by adding this analysis to the work plan.

Councilmember Stokes suggested that the work is not urgent in the short term but could be completed over time.

Mayor Robinson asked whether staff could determine, within eight hours of staff time, how much time it would take for staff to provide best practices recommendations, and to discuss where they fall in terms of budgetary, operational or land use policies.

Mr. Cummins said that developing recommendations about where the items might fit would take much longer than eight hours. Responding to general questions about how the work might impact other work plan items, he said it would involve multiple staff, including those working on other housing initiatives.

Mayor Robinson wondered whether items could be analyzed over time, as suggested by Mr. Stokes. She suggested continuing the discussion to the next week's meeting to allow time for staff to determine how this work might fit into the work plan.

Councilmember Robertson said she would like the Council to initiate the work now, with the details regarding the schedule and impacts to come back to the Council next week.

→ Councilmember Robertson moved to direct staff to consider the permanent supportive housing topics and to return to the Council next week with an overview of the scope of work and timing considerations, in order for the Council to provide direction regarding how to process this work. Councilmember Stokes seconded the motion.

Mayor Robinson said she is comfortable with having staff return next week to continue the discussion.

Councilmember Robertson withdrew her motion, noting that she does not intend to spend a lot of time on the issue next week other than to receive a report from staff.

Mayor Robinson thanked everyone for the discussion.

8. Consent Calendar

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

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

- (a) Motion to award Bid No. 21054 for Overlay and Pavement Restoration 2021 to Watson Asphalt Paving, as the lowest responsive and responsible bidder, in an amount not to exceed \$989,673.00 (CIP Plan No. W-16).
- (b) Motion to approve an increase to the construction contract with Kar-Vel Construction, (Bid No. 20011) by \$820,891.00 to a revised total contact amount

of \$6,097,700.56 plus any additional applicable taxes for the AC Water Main Replacement 2020 Phase 1 project (CIP Plan No. W-16).

- (c) Ordinance No. 6590 relating to speed limits; amending Section 11.32.015 of the Bellevue City Code (BCC) to establish a speed limit of 20 miles per hour (mph) on streets comprising the East Bellevue Demonstration Greenway (Greenway) along the 165th/166th Avenues corridor between SE 14th Street and Northup Way.
- (d) Ordinance No. 6591: 1) authorizing execution of a grant agreement (and supplements as necessary) with the Washington Traffic Safety Commission (WTSC) to accept up to \$75,000 in state funding to conduct year one of the School Zone Ped-Bike Road Safety Assessments (RSA) project adjacent to select schools in the Bellevue School District; 2) amending the 2021-2022 General Capital Investment Program (CIP) Fund to increase the appropriation by \$75,000; and, 3) amending the 2021-2027 CIP Plan to increase the budget for the Vision Zero Rapid Build Data Driven Safety Program (CIP Plan No. PW-R-205) by \$75,000.
- (e) Resolution No. 9974 authorizing the purchase of Cisco Meraki Wi-Fi system subscriptions and hardware from CompuNet, Inc. in an amount not to exceed \$310,727.43, plus all applicable taxes.
- (f) Resolution No. 9975 authorizing the conveyance of an easement to Puget Sound Energy, Inc. (PSE) for the installation of new underground electric facilities to serve City of Bellevue-owned property located at 1628 130th Avenue Northeast, known as part of the 130th Avenue NE Station Area Park and Ride property.

9. Public Hearing

- (a) Public Hearing on the Land Use Code Amendment (LUCA) for the East Main Station Area, creating a new Part 20.25Q in the Land Use Code; and rezoning parcels in the East Main TOD to two new EM-TOD-H and EM-TOD-L Land Use Districts, pursuant to the new EM-TOD designation created by the East Main Comprehensive Plan Amendment. File No. 17-125852-AD.

City Manager Brad Miyake introduced the public hearing and discussion regarding the Land Use Code Amendment (LUCA) for the East Main Station Area.

Mike Brennan, Director, Development Services Department (DSD), said staff is requesting direction from the Council following tonight's public hearing regarding any other topics for further discussion. He recalled the approval of the East Link light rail alignment and station locations in 2013. The East Main Station Area Citizens Advisory Committee (CAC) report was released in 2016. The Downtown Livability LUCA was adopted in 2017, and the East Main Comprehensive Plan Amendment (CPA) was adopted in 2019. The East Main LUCA was initiated in 2020 and East Link service is anticipated to begin in 2023.

Trisna Tanus, Consulting Attorney, highlighted the timeline for the development of the East Main LUCA. The Council participated in briefings and study session discussions beginning in May 2020 and staff conducted stakeholder outreach and an economic analysis. The final draft LUCA was approved in late 2020. The Council discussed the draft on June 28, 2021 and set tonight's public hearing. Ms. Tanus said the Comprehensive Plan provides the overall vision, priorities, and baseline expectations for future development. The Land Use Code describes what is permitted, sets development standards and design guidelines, and provides requirements for developers. A development application submits a developer's specific project design for City approval.

Ms. Tanus said the 2035 vision established for the East Main area describes a vibrant, livable and memorable transit-oriented development (TOD) neighborhood anchored by a variety of housing choices, offices, a hotel and supporting commercial services. The vision reflects robust pedestrian amenities including small walkable blocks and connected pathways.

Nick Whipple, Code and Policy Senior Planner, said the LUCA topics and policies fall into three areas: urban form, housing and code structure. Urban form elements include maximum building height (250 feet), maximum density or floor-area ratio (5.0), walkable blocks (1,300 feet length), larger floorplate sizes, multimodal connectivity, pedestrian emphasis, and the relationship to the Surrey Downs neighborhood and the Downtown. The amenity program prioritizes affordable housing, child care services, open space and potential streets.

Mr. Whipple said the LUCA reflects lower building heights along 112th Avenue and taller buildings along I-405. He noted that the maximum building height of 250 feet is approximately 23 stories. Structures within 50 feet of 112th Avenue are restricted to a height of 70 feet, or six stories. The LUCA provides one east-west pedestrian and bike connection through the East Main area. One required pre-located street is north of the Bellevue Club.

The LUCA is designed to promote affordable housing and requires a minimum of 30-percent residential development. It includes a higher base FAR for residential development and reduced minimum parking requirements for residential uses. The LUCA was developed to be consistent with the citywide code framework and processes.

Mr. Whipple said the Council identified a number of items in June for future discussion with stakeholders and the Council: 1) urban form (maximum building height, stepbacks below 80 feet for residential towers, and exceptions to block length), 2) housing (minimum housing requirement, fee-in-lieu option for affordable housing, whether condominiums can be considered affordable at 100 percent area median income), and 3) code structure (exceptions for nonconforming uses, use of development agreements). Staff will begin bringing those items back in September for Council discussion.

Mr. Whipple said the LUCA is a Process IV legislative decision, and the requirements for the notice of application, State Environmental Policy Act (SEPA) determination, and notice of public hearing were followed. City staff engaged with the current property owners in the East Main area throughout the process, and residents of Surrey Downs and Bellecrest were involved

in the process as well. Mr. Whipple said staff also worked with businesses and the Bellevue Downtown Association (BDA) through the development of the LUCA.

Mayor Robinson thanked staff for the presentation.

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

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

The following individuals came forward to comment:

1. Leysha Wig said that Wig Properties sent its seven key requests regarding the LUCA to the Council on June 25. One request was for lower building heights along 112th Avenue and taller buildings next to I-405 and Main Street, without penalizing the achievable density on the site. She said they are not requesting more density but are asking to shift the density from 112th Avenue toward Main Street and the freeway. She said this would allow the same amount of housing on the site and create a more livable, open and pedestrian-friendly place. Noting the requirement for 30-percent residential development, Ms. Wig said they would need to wait until rents increase sufficiently to build high-rise housing with affordable units, or mid-rise housing would be built in the near term and the site would be significantly underdeveloped. She said the Wig Properties proposal delivers housing in shorter buildings in the near term without incurring a significant density penalty across from the light rail station for doing so. She noted the goal of providing a thoughtful, vibrant, mixed use neighborhood. In considering density, it is important to consider the layout of the site and to ensure there is proper sunlight, air and ambience. Ms. Wig encouraged the Council to consider all of their requests as outlined in their June letter. She thanked the Council and staff for all of their time and effort on the LUCA work.
2. Mon Wig commented on the importance of a good site plan that identifies streets, entrances, parking, and other elements. He said the site plan can make or break a project, and it can be difficult to change. He suggested shifting density primarily to the east side of the site. Mr. Wig asked the Council to ensure that the East Main LUCA allows the area to be competitive. He said the gap between base FAR and net FAR is five times higher in East Main than in the OLB-S (Office Limited Business-South) district and three times higher than residential districts. Mr. Wig said that block length and perimeter restrictions can make parking inconvenient for retailers. He said Wig Properties will incur many development costs that are not incurred for other sites, including streets and utilities, wetlands and water management, and sound mitigation given the site's location between the freeway and the light rail station. Mr. Wig thanked the Council and staff for their hard work.
3. David Slight, a resident of the Surrey Downs neighborhood and secretary for the Surrey Downs Community Club, said his comments are his own. He said he opposes tall buildings across the road from the single-family neighborhood. He is pleased to see the

proposal by Wig Properties for shorter buildings along 112th Avenue and taller buildings along I-405.

4. Jack McCullough, speaking on behalf of Wig Properties, suggested that development agreements should be part of the East Main redevelopment. However, it is also important to be able to provide a level of certainty in the Land Use Code for developers. He noted the Wig Properties proposal to place taller buildings near I-405 and shorter buildings along 112th Avenue. He said the City has indicated that the lack of a SEPA (State Environmental Policy Act) review could prevent that modification to the LUCA. He suggested that a SEPA Addendum could be completed over the next few months. He said Wig Properties wants to make sure that the pre-located street does not impact Sturtevant Creek.
5. Patrick Bannon, President of the Bellevue Downtown Association (BDA), said the BDA's land use and livability committee will continue to work on East Main issues through September. He said there have been a number of briefings with City staff about market needs and realities, Land Use Code requirements, desired mix of uses, housing, building heights, urban form, FAR and the incentive system. He encouraged an urgency to complete the LUCA process. He noted the potential for a vibrant, walkable neighborhood with access to transit in the East Main area. He thanked City staff for their work with the community. He thanked the Council for their leadership and careful study of this major planning initiative.
6. Bill Thurston, representing the Bellevue Club, thanked the Council and City staff for their efforts to develop the LUCA. He said the Bellevue Club is a unique destination and a landmark property for the area, with a goal of protecting and enhancing their community for generations to come. Mr. Thurston said the effective use of their property must be supported by market-driven options and the broader vision for the East Main area. He expressed concern that the LUCA contains more restrictions than the Downtown or BelRed codes. He encouraged a walkable and flexible space for pedestrians. He thanked everyone for their involvement in the East Main planning effort.
7. Alex Brennan, Executive Director of Futurewise, said the organization focuses on issues of environmental sustainability, affordable housing and healthy, equitable communities through the lens of the state Growth Management Act (GMA). He expressed support for adding development capacity near light rail stations in exchange for affordable housing. He said housing for workers and access to transit will help reduce greenhouse gas emissions and traffic congestion. He thanked the Council for their work.
8. Paul Weller, a Surrey Downs resident, said his home will be one of the most significantly affected properties near the East Main TOD site. He noted that he is a licensed civil engineer and planner with a desire for a community that is sustainable and accessible. Rather than requiring 30-percent residential housing, he suggested providing strong incentives to encourage redevelopment.

9. Jane Broom, Senior Director, Microsoft Philanthropies, noted Microsoft's affordable housing initiative to help advance affordable housing solutions across the Eastside. She thanked the City for its leadership and implementation of the 2017 Affordable Housing Strategy. She said the organization is involved in the growing coalition called the Eastside Housing Roundtable, a group of private sector and nonprofit organizations focused on increasing affordable housing in Bellevue. She expressed support for the housing envisioned for the East Main area.
10. Joe Fain, President and CEO of the Bellevue Chamber of Commerce, said he appreciates the time and effort of the Council and City staff in this effort. He noted the Chamber's interest in affordable housing incentives. He expressed support for taller buildings along I-405. He thanked City staff for being accessible and responsive to the Chamber, BDA and other community organizations and businesses.
11. Jacqueline Gruber, representing Vulcan, noted that she is a member of the Eastside Housing Roundtable. She said Vulcan has two million square feet of office development in Downtown Bellevue and continues to look for multifamily development opportunities. She commended the City's recent changes to the multifamily tax exemption (MFTE) program to help incentivize residential development in multifamily areas. She said the East Main LUCA should avoid overly prescriptive design standards that sacrifice potential housing for aesthetics. To maximize the housing potential, Ms. Gruber said the incentives zoning program should focus on granting increased building heights and bonus FAR to encourage the development of housing at the 80-percent AMI level. She encouraged efforts to stimulate housing production in the Downtown, BelRed and Wilburton areas.
12. Jared Axelrod, Amazon, expressed support for the East Main LUCA. He noted Amazon's ongoing efforts with local governments to implement effective housing policies and affordable housing development. He expressed support for taller buildings along I-405 in exchange for more affordable housing. He encouraged strong incentives to create a vibrant and pedestrian-friendly environment. Mr. Axelrod thanked Councilmembers for their work on this matter over the past few years.
13. Troy Drawz said he was speaking on behalf of Imagine Housing, a member of the Eastside Housing Roundtable, to express support for the East Main LUCA. He encouraged the City to use this opportunity for adding affordable housing. He encouraged taller building heights along the freeway, increased building heights in exchange for affordable housing, and a livable, walkable and sustainable development with open space and amenities. He thanked the Council for their time and consideration.
14. Patience Malaba, Director of Government Relations and Policy for the Housing Development Consortium of Seattle-King County, said the East Main TOD area is a tremendous opportunity for affordable housing. She encouraged the City to trade building height only for affordable housing. She asked the City to conduct an analysis of a fee in lieu incentive to ensure that the growth provides housing for diverse household sizes and income levels, consistent with the City's 2017 Affordable Housing Strategy. She said

when people can walk or take transit to work, we all benefit from better air quality and reduced greenhouse gas emissions. She encouraged advancing the LUCA and thanked the Council and staff for their hard work.

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

At 9:04 p.m., Mayor Robinson declared a short break. The meeting resumed at 9:15 p.m.

Deputy Mayor Nieuwenhuis thanked everyone for their involvement and participation in the public hearing. He asked about the site plan for the East Main area and acknowledged the public comments in favor of taller buildings along I-405. He noted comments during the hearing comparing the East Main LUCA to the Downtown and BelRed codes and incentives, and expressed an interest in learning more about that. He asked for more information regarding FAR for residential versus non-residential development. He asked about the pre-located street and how it works with the Downtown code's incentive related to the Pedestrian Corridor.

Mr. Brennan confirmed that most of the items are already included in the table of potential LUCA items requested by Wig Properties and the Bellevue Club. He said staff will address the site plan in greater detail. He said staff will prepare a comparison of the East Main codes with the Downtown and BelRed codes if desired by the Council.

Councilmember Robertson encouraged adding more amenity incentives, including to provide the pedestrian overcrossing. Mr. Brennan confirmed that a discussion of amenity incentives is planned. Ms. Robertson expressed support for additional SEPA review if necessary to consider increased building heights along I-405. Mr. Brennan said staff will work with the consultant on additional SEPA analysis if needed.

Councilmember Lee said it is exciting to hear all of the support from the community, especially from those advocating for more housing. He expressed support for taller building heights along the freeway, which could provide an iconic gateway into Bellevue. He encouraged connections to the Downtown, including the pedestrian overcrossing mentioned by Councilmember Robertson. He expressed support for the LUCA and said he looks forward to further consideration of specific issues.

Councilmember Barksdale noted his interest in the amenity and incentive program. He wondered whether incentives might be able to support small businesses in need of affordable commercial space. He suggested incentives to achieve elements that promote a sense of community and informal gatherings. He said he is interested in learning more about the proposal to shift taller buildings toward I-405.

Councilmember Zahn said she appreciated all of the comments and feedback. She said housing is key and it is urgently needed. She concurred with Mr. Barksdale's suggestion to consider affordable retail space as an amenity to incentivize. She expressed an interest in more

information about taller building heights along I-405 and how that might impact rental rates and the potential for affordable housing. Ms. Zahn encouraged identifying any other items that might require additional SEPA analysis.

Councilmember Stokes said he is not interested in considering a fee in lieu option because housing is needed in the East Main TOD. He is willing to consider increased building heights in order to achieve more affordable housing. Mr. Stokes said this is a transformative decision for Bellevue. He suggested that allowing taller buildings along I-405 could expand beyond the East Main area. He said the Council should be aggressive about achieving public benefit. He encouraged moving forward as quickly as possible.

Mayor Robinson said she appreciates the specific attention given to different areas of Bellevue in staff's planning processes. She said the East Main area is unique as well. She noted her interest in good architecture and affordable housing. She does not support a fee in lieu option given that housing is needed next to the light rail station. She expressed support for pedestrian and bike amenities and connections and for taller buildings along I-405.

Mr. Brennan said staff would structure the next Council discussion based on tonight's input.

10. Study Session Items

- (a) American Rescue Plan Act (ARPA) Funding: Gaps and Recommendation for Allocation of Partial Funding

Toni Call, Director, Finance and Asset Management, said staff is seeking direction to prepare legislation, including the necessary budget amendments and authorization, for the use of American Rescue Plan Act (ARPA) funding. More than 70 percent of ARPA funding went to individual economic impact payments, enhanced unemployment insurance, expansion of business and individual tax credit programs, and direct funding for education and pension systems. The remaining 30 percent of the funding is allocated to state and local government fiscal aid, disaster relief, economic development and small business relief, housing and utility assistance, food assistance, and relief for children and families.

The City will receive \$20.1 million in federal funding through 2022. The monies must be spent to respond to the public health emergency and/or its negative economic impacts, provide premium pay to eligible essential workers, make necessary investments in infrastructure, and/or compensate for the loss of revenue due to the pandemic. The money must be spent by December 31, 2026. The most critical immediate needs are housing and workforce stability.

Ms. Call said staff recommends appropriating up to \$8 million now and reserving the remaining \$12.1 million for future use.

Toni Esparza, Assistant Director, Parks and Community Services, said approximately 2,000 households are considered very likely to be evicted within the next two months, and 5,600 households are considered somewhat likely to be evicted. In 2020, the City dedicated \$112,580 via the Human Services Fund to address eviction prevention. The City dedicated an additional

\$1.4 million toward eviction prevention using pandemic-related funds from a number of sources including the Council Contingency Fund, Community Development Block Grant funds, and Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

While King County is currently operating a rental assistance program, Ms. Esparza said staff recommends prioritizing City dollars for this purpose for a number of reasons. She said recent data gathered by City staff indicated that only 3-4 percent of the county dollars are actually reaching Bellevue residents. She said King County is operating a lottery system, leaving residents in limbo and still needing to apply for assistance through other agencies. Also, the County program has a prescribed limit on how much back rent can be paid. Ms. Esparza said staff is working through the details of a proposed program and conducting a legal review. She said staff recommends full payment of back rent to March 2020 and three months of forward rent for residents who have been impacted by the pandemic. For individuals experiencing homelessness, staff recommends payment of back rent as well as moving costs to obtain housing.

Jesse Canedo, Assistant Director, Community Development, said approximately 3,300 Bellevue residents are unemployed and seeking jobs, and the unemployment rate continues to be about twice as high as pre-pandemic conditions. He said the City is working with other Eastside cities to conduct a study and analysis of past due commercial rents. Approximately 25 percent of local property owners have commercial tenants who are still requesting assistance with paying rent or making arrangements to pay back rent. Mr. Canedo said the businesses in need of assistance tend to be those that are impacted by the low number of office workers and tourists, including personal services, health and wellness, and the creative economy.

Mr. Canedo said staff recommends using \$500,000 for a three-year pilot workforce program in cooperation with external partners. The program would support more than 2,100 residents and help 20 businesses create new internship programs. The long-term goals are a lower unemployment rate, improved workforce participation rate for diverse communities, and an increased percentage of Bellevue residents also working in the city.

Staff also recommends allocating \$500,000 to provide rent relief for small businesses to prevent small business closures, preserve jobs, and provide targeted relief to pay down rental debt for approximately 55 businesses and cultural organizations.

Ms. Call said staff is seeking Council direction to bring back the appropriate legislation, including necessary budget amendments and authorization, to use up to \$8 million in ARPA funding at this time.

- Councilmember Stokes moved to extend the meeting to 10:30 p.m., and Deputy Mayor Nieuwenhuis seconded the motion.
- The motion carried by a vote of 7-0.

Responding to Councilmember Zahn, Ms. Esparza said the City's rental assistance program is for renters, not landlords, and the City will work with agencies to enhance community outreach to identify those in need. In further response to Ms. Zahn, Mr. Canedo said the 55 businesses and

cultural organizations targeted to receive rental assistance fall into the three most impacted sectors (i.e., personal services, health and wellness, and the creative economy). Councilmember Zahn suggested providing more than \$500,000 for small business rental relief.

→ Deputy Mayor Nieuwenhuis moved to direct staff to return on August 2 with appropriate legislation for final action, including budget amendments and authorization to implement Council direction regarding the use of up to \$8 million in ARPA funding. Councilmember Robertson seconded the motion.

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

(b) House Bill 1590 Capital Process Recommendations and Early Funding Opportunities

Mac Cummins, Director of Community Development, noted ongoing discussions regarding the use of HB 1590 tax revenues. Earlier discussions focused on human services funding, and tonight's agenda item is focused on capital projects and expenditures. Staff is seeking Council direction on the preliminary process, criteria and priority recommendations and to initiate a request for proposal (RFP) to identify affordable housing capital development opportunities using HB 1590 funds. Mr. Cummins said that 60 percent of the HB 1590 revenues must be spent on facilities and programs that serve populations at or below 60-percent AMI.

Liesl Olson, Management Fellow, City Manager's Office, highlighted the HB 1590 work plan discussions to date. She said staff is seeking direction regarding the RFP process, criteria for evaluation, and priorities.

Lindsay Masters, Executive Manager, ARCH (A Regional Coalition for Housing), described the HB 1590 process, beginning with the anticipated release of the RFP in August. She said the overall approach to the process is to complement and leverage housing dollars while making modifications that give Bellevue the opportunity to establish its own priorities and criteria for funding allocations. A technical review and interdepartmental staff review is targeted for October/November, and staff will draft its recommendation in late 2021 for Council consideration in early 2022. Following Council approval, staff will work with the City Attorney's Office to prepare the contracts and with the City Manager to execute the contracts. Capital projects will be monitored during and after construction and biannual reporting will be provided to the Council.

Ms. Masters said the RFP process leverages the existing ARCH process including staff's affordable housing expertise, funding coordination and alignment, leveraging of non-City funds, and ARCH's monitoring and contracting systems. She highlighted the criteria for evaluating funding applications which includes financial feasibility and cost effectiveness, leveraging of multiple funding sources, demonstrated success with housing models that create long-term stability, geographic distribution of housing types across Bellevue, ability to deploy funds quickly, equity in serving underserved populations, and meeting the critical needs of the community.

Ms. Olson said staff would like to issue the RFP as soon as possible for affordable housing capital funding up to \$6 million. She highlighted Bellevue's housing data regarding the number of households in each income category (i.e., 0-30 percent AMI, 31-50 percent AMI, 51-80 percent AMI and 80-percent AMI or above). She said nearly one-third of Bellevue households were identified as cost-burdened between 2013 and 2017.

Ms. Olson said the funding priorities for the RFP are to address and prevent homelessness and housing instability, address households earning 0-30 percent AMI, and to focus on underserved, vulnerable residents in Bellevue. The RFP will be issued in August and applications will be due at the end of September. Funding recommendations will be presented to the Council in early 2022.

Mr. Cummins said staff is seeking Council direction to initiate the RFP to identify affordable housing capital development opportunities for HB 1590 funding.

Mayor Robinson thanked staff for expediting the presentation after waiting all evening through the long agenda.

Councilmember Lee asked about reaching diverse populations in Bellevue and whether there is funding for mental health purposes, especially for young people. Mr. Cummins said the proposed RFP is focused solely on construction and capital funding. Mental health services are addressed with other human services through the Human Services Commission's funding process.

Councilmember Zahn expressed support for the priorities, process and criteria. She said that if the proposals exceed \$6 million, she would like the Council to consider adding more funding before waiting another year. She said real estate costs continue to increase. She asked what it would take to determine the ability to bond against future HB 1590 revenues.

Mr. Cummins confirmed that issuing debt is an option for the City. Staff proposes building a debt issuance question into the 2022 work program with a focus on early wins. He said it is a several months process to issue debt. He concurred with Ms. Zahn's suggestion to consider additional funding allocations if the proposals significantly exceed \$6 million.

→ Councilmember Stokes moved to extend the meeting to 10:45 p.m., and Deputy Mayor Nieuwenhuis seconded the motion.

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

Councilmember Stokes expressed support for the process and criteria and for initiating the RFP.

Referring to the criteria presented earlier, Councilmember Robertson expressed support for creating a geographic distribution of housing opportunities and affordability levels across Bellevue. She suggested working with multifamily property owners to determine whether there is an interest in grant funding to convert some of their units to permanent affordable housing. Mr. Cummins concurred and said the issue is included in the work plan.

Mayor Robinson said she would like to distribute 0-30 percent AMI households across Bellevue, and she would support using City funds to achieve lower rents.

→ Deputy Mayor Nieuwenhuis moved to direct staff to initiate the Request for Proposals (RFP) to identify affordable housing capital development opportunities to fund with HB 1590 revenues. Councilmember Stokes seconded the motion.

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

Mayor Robinson thanked everyone for their work and for their patience during a long meeting.

(c) Regional Issues [*Written update only; no presentation.*]

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 10:35 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

/kaw