

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Meeting

November 15, 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 Stokes led the flag salute.

(a) Transgender Day of Remembrance Proclamation

Councilmember Barksdale read the proclamation declaring November 20, 2021 as Transgender Day of Remembrance in Bellevue. He urged everyone to remember the individuals from transgender communities who have been lost to violence and to work to foster an inclusive community for all.

(b) Native American Heritage Month Proclamation

Councilmember Zahn read the proclamation recognizing November 2021 as Native American Heritage Month in Bellevue. She urged everyone to reflect on the contributions and traditions of Native American communities and to remember that our diversity is our strength.

(c) National Veterans and Military Families Month Proclamation

Deputy Mayor Nieuwenhuis read the proclamation recognizing November 2021 as National Veterans and Military Families Month in Bellevue and urged everyone to honor veterans and military families through support, activities and celebrations.

3. Approval of Agenda

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

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

4. Oral Communications

- (a) Anne Coughlin commented regarding the neighborhood planning process. She said the Northeast Bellevue and Northwest Bellevue plans are very similar despite the fact that the neighborhoods have some distinctive differences and unique challenges. She expressed concern that the structure of the 2021 neighborhood planning program did not provide the opportunity for customization by each neighborhood. She said a top concern identified by residents is safety, which was addressed only in terms of transportation issues and not in the broader context regarding crime and a low barrier shelter within a close proximity to a number of schools. Ms. Coughlin said a group of NE Bellevue residents conducted a comprehensive review of relevant policies and submitted specific feedback to staff. She asked the Council to incorporate that feedback into the NE Bellevue neighborhood plan before it is adopted.
- (b) Michelle Niethammer, speaking on behalf of a group of residents, expressed concerns regarding the NE Bellevue neighborhood planning process. She asked the Council to consider the overall process and substance of the Great Neighborhoods program. She said key topics were removed from the neighborhood planning process to be addressed citywide, including the tree canopy and housing typology. She said it is frustrating to have to engage with the City again on the same topics that residents have been discussing for the past three years. She said housing types should be tailored to each neighborhood.
- (c) Bill Thurston, speaking on behalf of the Bellevue Club, said the club was established in 1979. He said the block length and perimeter requirements must be eliminated from the East Main Station Area Land Use Code Amendment (LUCA). He said affordable housing should not be required of the Bellevue Club if it expands its facility in the future. He said the club plans to create a pedestrian gateway and to enhance the established landscaping. He asked for an increase in the allowed building height for the club due to the requirements for above-grade parking.
- (d) Abigail DeWeese, a land use attorney, said she was speaking as a member of the planning, land use, sustainability and housing committee of the Bellevue Chamber of Commerce. She said the Chamber and the Eastside Housing Roundtable partnered on a study of the implications of the East Main LUCA. She encouraged the Council to adopt code provisions that provide the best opportunity for residential development, affordable housing and a vibrant community. She encouraged the City to allow 25,000 square feet floor plates for the upper levels of commercial development, which will provide the greatest potential for maximizing FAR and achieving the full amenity points. Ms. DeWeese asked the Council to provide a commercial fee in lieu option as a Tier 1 amenity to support the development of affordable housing. She said block sizes in the

East Main area should be more flexible. She expressed concern that a minimum housing requirement will delay redevelopment. Ms. DeWeese thanked City staff for their work with the community.

- (e) Amy Liu, representing Microsoft, expressed support for the Eastside Housing Roundtable's recommendations for the East Main LUCA. She thanked staff and the Council for their hard work. She said the Eastside Housing Roundtable's proposed changes ensure the development of middle income and affordable housing. She encouraged the City to maximize building heights and density, especially given the proximity of light rail service. She said their recommendations also address floor plate size, amenities, commercial fee in lieu and other issues.
- (f) Leshya Wig indicated that Wig Properties sent a letter to the Council over the weekend highlighting three critical needs. The first request is to eliminate the block length and perimeter requirements to ensure an activated and safe space. The current requirements would prohibit the curved street, cause confusion for above-ground parking and potentially undermine the success of ground floor retail uses. Ms. Wig expressed concern about establishing minimum housing requirements and suggested a phased approach. She asked the City to allow 25,000 square foot nonresidential floor plates to encourage the earlier development of affordable housing. She said if establishing a development agreement with the City is too burdensome, they will have to live with the base code. She said that would result in all high-rise towers built on a grid pattern or in significant underdevelopment of the site and fewer public amenities.
- (g) Pearl Leung, representing Amazon, thanked the City for its years of work leading to the implementation of the Council's 2035 vision for the East Main transit-oriented development (TOD) district. She expressed support for the recommendations of the Eastside Housing Roundtable. She said Amazon is committed to supporting the preservation and development of affordable housing, and she encouraged the Council to adopt the East Main LUCA by the end of the year. She thanked Councilmembers for their leadership to generate more affordable housing.
- (h) Dick Thompson said he and other Northtowne residents are concerned that the draft NW Bellevue neighborhood plan does not represent the interests of its residents. He and other residents have met with City staff. He said he summarized those discussions and proposed revisions to the plan in an email to the Council. He noted his understanding that neighborhood planning will be put on hold until the next major update to the Comprehensive Plan. Mr. Thompson said his submittal to the Council is based on the same data used by City staff to create the draft neighborhood plan. He asked the Council to review the information as it considers its options.
- (i) Patience Malaba, representing the Housing Development Consortium, urged the Council to approve the Affordable Housing Strategy Action C-1 proposal. She thanked staff and community stakeholders for their work to improve the original Action C-1 proposal. She noted the comment letter submitted by the Housing Development Consortium. She asked the Council to provide a density bonus for affordable housing without requiring

additional review for qualifying projects. She asked the Council to direct staff to advance a Comprehensive Plan Amendment (CPA) and rezone in 2022 targeting qualifying properties to increase density closest to arterials and to frequent transit service. Ms. Malaba asked the City to consider ways to support the development of partnerships between religious organizations and nonprofit organizations. She thanked everyone for their hard work.

- (j) Pastor Mark Griffith, St. Luke's Lutheran Church, noted his congregation's longtime efforts to address poverty, affordable housing and shelter services. He recalled that the church partnered with Imagine Housing to develop 63 units of affordable housing on its campus. He said a number of faith-based organizations would like to implement the Action C-1 proposal for developing affordable housing. He said the density bonus is not sufficient to finance affordable housing or to achieve meaningful density. He suggested that the density bonus should be addressed in parallel with the rezoning process to better engage the faith community in implementing solutions for affordable housing. Pastor Griffith asked the Council to direct staff to work with religious organizations and housing nonprofit organizations to identify opportunities that take advantage of emerging transportation infrastructure.
- 5. Reports of Community Councils, Boards, and Commissions: None.
- 6. Report of the City Manager: None.
- 7. Council Business and New Initiatives: None.
- 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) Council Minutes
Minutes of November 1, 2021 Regular Meeting
 - (b) Motion to approve payment of claims and payroll for the period October 1, 2021 - October 31, 2021.
 - (c) Resolution No. 10017 authorizing the execution of a Professional Services Agreement with Nelson\Nygaard, Inc., in an amount not to exceed \$247,786, plus all applicable taxes, to provide consultant services to the City of Bellevue to support the development of a Curb Management Plan.
 - (d) Resolution No. 10018 authorizing an amendment to an agreement with Gallup, Inc. in the amount of \$72,090, plus all applicable taxes, to extend the City's

employee engagement survey platform subscription and associated implementation and support services for up to three additional years and add functionality to conduct surveys during onboarding and offboarding, for a total contract value of \$138,540, plus all applicable taxes.

- (e) Resolution No. 10019 authorizing execution of an amendment to the Agreement for Professional Services with Keating, Bucklin & McCormack, Inc., outside counsel for the City in the lawsuit of Kivlin v. City of Bellevue (USDC Case No. 2:20-cv-00790 RSM), increasing the contract to an amount not to exceed \$194,000, plus all applicable taxes.
- (f) Resolution No. 10020 authorizing the City of Bellevue Employees' Retirement Benefit Plan Committee Chair ("Municipal Employees' Benefit Trust Bellevue Plan Committee Chair") or its designee to execute the Third Amendment to the City of Bellevue Employees' Retirement Benefit Plan ("Bellevue MEBT Plan") to incorporate the hardship distribution provisions of the Bipartisan Budget Act of 2018.
- (g) Resolution No. 10021 authorizing the execution of an agreement with Stardom Services, Inc. for janitorial services at multiple parks sites, referred to as the East route, over three years with two one-year extensions, for a total contract amount over five years not to exceed \$1,200,000, plus applicable taxes.
- (h) Resolution 10022 authorizing the execution of an agreement with SMS Cleaning, Inc. for janitorial services at multiple parks sites, referred to as the West route, over three years with two one-year extensions, for a total contract amount over five years not to exceed \$2,150,000, plus applicable taxes.

9. Public Hearings

- (a) Public Hearing on the 2021-2022 Budget and 2021-2027 Capital Investment Program (CIP) Plan Mid-Biennium Update

City Manager Brad Miyake introduced the staff report and public hearing regarding the 2021-2022 Budget and 2021-2027 Capital Investment Program (CIP) Plan Mid-Biennium Update.

Evan Phillips, Budget Manager, said staff is seeking Council direction following the public hearing to prepare all legislation needed to adopt the budget and CIP Plan update on November 22, or to bring back the property tax legislation for action on November 22. He noted a change requiring that the City submit its signed property tax legislation to King County by November 30. He recalled that staff presented the proposed development services fee adjustments on October 25, and the forecast and Mid-Biennium Budget adjustments were discussed on November 8.

Mr. Phillips said the budget update is required by state law and reflects technical adjustments for inflation, updated revenue projections, correction of errors and other minor revisions. The budget

includes the conversion of one limited-term employee (LTE) position to a full-time position for homelessness outreach and coordination. The budget update adds three new positions for Fire Station 10 and two new positions for ARCH (A Regional Coalition for Housing). It includes a second year of early funding opportunities for behavioral health and housing services related to HB 1590 revenues. The budget retains the one-percent property tax approved in the 2021-2022 budget as well as the \$3 million sales tax swap from the CIP Plan to the General Fund. The latter item was established for two years only.

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

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

City Clerk Charmaine Arredondo noted that the notice of tonight's public hearing was published in the paper of general circulation on November 1 and on November 8. Five written communications were received and they have been provided in the Council's desk packet.

The following individuals came forward to comment:

1. Martine Smets expressed concern about climate change and the impact on future generations. She said 70 percent of greenhouse gas emissions are associated with cities, and the City of Bellevue has committed to reducing its emissions by 50 percent by 2030. She asked the City to dedicate additional staff to work on climate-related solutions and emphasized the urgency of addressing climate change.
2. Barbra Chevalier urged the Council to address climate change and to curb the removal of trees in the community associated with development activity. She said the cities of Kirkland and Redmond have stronger tree codes consistent with their tree canopy goals. She encouraged Bellevue to adopt changes that match Redmond's code. She said consistency across Eastside jurisdictions will benefit developers and property owners. She encouraged minimum standards for tree removal within single-family residential areas, and she encouraged the City to provide education and enforcement related to the code.
3. Marlene Meyer expressed concern regarding record heat waves and related algae bloom alerts for local waters as well as wildfires and air quality impacts. She urged the City to increase staffing to support the implementation of the Environmental Stewardship Plan. She noted the need to address the climate change impacts of buildings and transportation systems. She urged the Council to think about future generations.
4. Don Marsh said the 300 Trees group helped plant 300 native trees on the Sammamish High School campus over the weekend. This effort was initiated by students and involved a number of organizations and funding partners. Mr. Marsh thanked the students and dozens of volunteers who participated in the tree plantings despite rain, wind and mud. He thanked the City for streamlining the permit process and helping the project to stay within its budget. He commented City staff for their ongoing efforts and encouraged the

Council to provide more staffing and other resources. Mr. Marsh requested \$200,000 in the budget to develop new tree protection codes and \$400,000 to add three full-time positions to the environmental stewardship team. He encouraged Bellevue to be a regional leader in addressing climate change.

5. Paul Bruno thanked the Council for all its does to make Bellevue a wonderful place to live. As a member of People for Climate Action, he has met with most of the Councilmembers to discuss the Environmental Stewardship Plan. He noted the need for additional staffing in Bellevue to more aggressively implement the plan. Mr. Bruno asked the City to add \$400,000 to the 2022 budget to hire three staff dedicated to the rapid implementation of the plan.
6. Bill Westre expressed support for the requested \$400,000 to add staffing in the environmental stewardship program. He noted concerns regarding global warming and greenhouse gas emissions. He said he has improved the efficiency of his home by replacing his gas furnace with an electric heat pump, buying an electric car and producing electricity using solar panels. He said his monthly energy bill, including transportation costs, is \$7.90 which is the cost of being connected to the Puget Sound Energy (PSE) grid. He urged the Council to plan for future generations.
7. Julie Beffa encouraged the Council to add \$400,000 to the budget to provide more resources to implement the Environmental Stewardship Plan. She expressed concern regarding the removal of old growth trees due to development and redevelopment. She encouraged the Council to move in the right direction to address this urgent issue.
8. Jennifer Keller concurred with previous speakers' comments regarding climate change and increasing the City's staffing and resources to implement the Environmental Stewardship Plan. She thanked the City for efforts related to transit-oriented development (TOD) and the multimodal transportation system. She thanked Jennifer Ewing for her management of the environmental stewardship program and for her presentation to the Council on October 18.
9. Barbara Braun urged the Council to increase funding and staffing for the implementation of the Environmental Stewardship Plan and to provide \$200,000 to update the City's tree codes. She said national surveys indicate that nearly 70 percent of Americans want urgent action to address climate change. She suggested that the Council consider implementing a citywide emissions remediation use fee similar to the wastewater fee on businesses and residents. She asked the Council to use American Rescue Plan Act (ARPA) funds, to the extent possible, and to consider slowing discretionary projects, such as the aquatic center, to prioritize the implementation of efforts to address climate change.
10. Kristi Weir, representing the Earth and Climate Action Ministry of the East Shore Unitarian Church in Bellevue, expressed concern regarding the inability of the international community to commit to common climate change-related goals. She encouraged the City to develop detailed plans and steps to reduce emissions by 50

percent by 2030. She asked the Council to provide \$400,000 in the budget update to increase environmental stewardship program staffing.

11. Gary Saaris said that, as a resident of Bellevue over the past 40 years, he has observed smooth, continuous and well-planned growth in the community. However, he expressed concern that the impacts of climate change have not been adequately addressed. He asked the City to increase staffing to address climate change and to provide information and tools for the public.
12. Court Olson noted his experience in engineering and in overseeing the design and construction of commercial buildings. He said the issues and solutions related to climate change are complex. He praised current environmental stewardship staff for their extensive efforts and encouraged additional staffing and resources. He expressed concern that the City will not meet its goal to reduce emissions by 50 percent by 2030.
13. Bruce Bowman concurred with previous speakers' requests for more funding and staffing to implement the Environmental Stewardship Plan. He said the City is falling behind in meeting its emission reduction goals and he noted that the budget reflects the values and priorities of the Council and the community.
14. Curt Allred concurred with previous speakers' concerns regarding climate change and the need for more City staffing and resources. He asked the Council to provide funding to update the City's tree protection codes and to consider codes similar to those adopted in Kirkland and Redmond. He expressed concern regarding the removal of trees with development and redevelopment.

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 Zahn thanked staff for their hard work on the budget update. She said she would like to have a discussion regarding potential budget adjustments to address climate change and to meet the goal of reducing emissions by 50 percent by 2030. She recalled the addition last year of \$100,000 for 2021 and \$100,000 for 2022 to address early wins related to the Environmental Stewardship Plan. She expressed support for updating the tree code. She asked about the availability of federal ARPA funds to support environmental stewardship efforts. She recalled her previous suggestion to consider a new position in the Development Services Department to work with developers and other permit applicants regarding building renovations and reducing greenhouse gas emissions.

Toni Call, Director, Finance and Asset Management (FAM) Department, said staff will return early next year to discuss the use of ARPA funding and how it can best meet needs across the

community. The City anticipates receiving \$10 million in ARPA funding in May 2022, and the funds must be spent by the end of 2026.

Referring to the tree canopy and tree codes, Deputy City Manager Kate Berens suggested consulting with Community Development staff to determine the status of the funding provided last year through the 2021-2022 budget. She noted the City's current difficulty in hiring staff to handle code and policy work. She suggested a future discussion about overall code and policy items in the work plan to refine the Council's priorities and establish appropriate sequencing for the work.

Councilmember Zahn asked whether it would be possible to use some of the ARPA money and/or other federal funding to begin hiring additional staff. She suggested that additional staff could help the City gain access to grants and partnerships.

Mayor Robinson asked whether the Council should consider Ms. Zahn's proposal now or early next year. Ms. Robinson noted her interest in reviewing the tree codes. She said at least four Councilmembers are interested in discussing the topic during a future meeting.

Councilmember Stokes expressed support for allocating \$100,000 to \$200,000 to move forward with updating the tree codes and other environmental stewardship work items. He said this would demonstrate the Council's ongoing commitment to addressing residents' concerns.

Responding to Councilmember Robertson, Ms. Call said a one-percent property tax raises approximately \$500,000, most of which goes to the General Fund. Smaller amounts are distributed to the fire facilities levy and the neighborhood transportation levy packages. Ms. Robertson said that last year, the Council allocated \$300,000 to the Environmental Stewardship Initiative (ESI) for 2021/2022 (\$100,000 each year for early wins and \$50,000 each year for enhanced stakeholder outreach). She said the ongoing funding and numerous discussions support the Council's commitment to implementing the Environmental Stewardship Plan.

Ms. Robertson suggested that if a Councilmember would like to add a budget item, it would be helpful if they can indicate how the item would be funded (i.e., new revenue source or budget reduction to another item). She discouraged using one-time funding to hire staff, which is an ongoing expense. She expressed support for adding an update to the tree codes to the work plan. She suggested discussing and prioritizing the planning work plan in January. She expressed concern about adding to the budget until next year's full two-year budget process.

Councilmember Barksdale expressed support for exploring the tree canopy issues and cautioned against overburdening environmental stewardship program staff to the point that they do not feel supported.

Mayor Robinson noted there is interest on the Council to review the planning work plan in early 2022 to consider prioritizing tree codes and to ask staff to analyze the cost of increased staffing for the environmental stewardship program.

Councilmember Lee said the Council and the community support strong measures to address the impacts of climate change. He concurred with Councilmember Robertson that any additions to the Mid-Biennium Budget should be offset with a reduction in another budget item or with a new revenue source.

Mayor Robinson suggested reviewing all of the environmental stewardship program priorities during the first quarter of 2022.

Deputy Mayor Nieuwenhuis thanked Ms. Call and Mr. Phillips for their work. Mr. Nieuwenhuis expressed support for reviewing the tree codes. He said he shares the perspective of Councilmembers Lee and Robertson that an addition to the budget should be offset with a new funding source or a reduction in another item. He agreed with Councilmember Robertson that one-time money should not be used to fund a new staff position. He noted that the enhanced stakeholder team was intended to help staff implement the Environmental Stewardship Plan. He said he is very concerned about the tree canopy and environmental priorities. He said he would be open to spending up to \$100,000 to hire a consultant to analyze and compare Bellevue's tree codes to surrounding jurisdictions.

Mayor Robinson noted the Council's interest in: 1) reviewing the planning work plan in the first quarter of 2022 and considering how to prioritize a tree code update, 2) reviewing all Environmental Stewardship Plan priorities, and 3) asking staff to analyze the cost of increasing staffing and how the positions would be funded.

Responding to Mayor Robinson, Ms. Call said the 2021-2022 adopted budget includes a one-percent property tax adjustment in both 2021 and 2022. The tax equates to approximately \$9 annually for a home valued at \$1 million.

- Deputy Mayor Nieuwenhuis moved to direct staff to finalize the necessary legislation to adopt the update to the 2021-2022 Mid-Biennium Budget and 2021-2027 Capital Investment Program (CIP) Plan as presented, for consideration and action at a future meeting. Councilmember Robertson seconded the motion.
- The motion carried by a vote of 7-0.

At 7:50 p.m., Mayor Robinson declared a short break. The meeting resumed at 8:00 p.m.

10. Study Session

(a) Affordable Housing Proposed Land Use Code Amendment (LUCA)

City Manager Miyake introduced discussion regarding the affordable housing Land Use Code Amendment (LUCA) applicable to faith-owned, nonprofit and certain public properties.

Mike Brennan, Director, Development Services Department (DSD), said the proposed LUCA will establish a 50 percent density bonus for residential properties owned by nonprofit or religious organizations.

Trisna Tanus, Consulting Attorney, Development Services Department (DSD), said the LUCA will achieve consistency with RCW 35A.63.300 adopted by the state legislature in 2019. Under the new law, cities must allow additional density for affordable housing developed on property owned or controlled by a religious organization. The housing units must be priced at or below 80 percent of the area median income (AMI) for at least 50 years. Ms. Tanus said the Land Use Code currently offers a density bonus of up to 15 percent to encourage the development of affordable housing in multifamily districts. There is currently no bonus applicable to single-family residential districts.

Emil King, Assistant Director, Community Development Department, recalled that the 2017 Affordable Housing Strategy identified Action C-1 to increase density on land owned by public agencies, faith-based entities and nonprofit organizations to facilitate the development of affordable housing. The action is anticipated to produce up to 1,000 housing units. Ordinance No. 6562 adopted a 2020 Comprehensive Plan Amendment (CPA) adding two policies: 1) HO-33, Implement Affordable Housing Strategy's Action C-1 by providing bonuses and incentives for qualifying properties, and 2) HO-34, Implement the bonuses and incentives for qualifying properties outside of growth corridors.

Mr. King recalled that the Council initiated discussions regarding Action C-1 in 2018. The CPA and LUCA processes were initiated in July 2020, and the CPA was adopted in December. The Planning Commission reviewed the LUCA this summer. Staff will begin working with the Council on Phase 2 of Action C-1 implementation in early 2022.

Planning Commission Chair Mohammad Malakoutian said the commission reviewed the LUCA during three study sessions (April 14, May 12, June 23) and held a public hearing on September 22 before making its recommendation. He said some individuals in the community expressed concern that the 50 percent bonus would not be sufficient to make affordable housing projects feasible in lower density land use districts. They suggested that the density bonus should be large enough to replace the need for a CPA and a rezone for affordable housing developments. Mr. Malakoutian said the commissioners shared that concern. He said the commission was interested in a permitting path that would allow a density increase in single-family land use districts near higher density development and/or transit services.

Mr. Malakoutian said that, during the third study session, staff presented a super bonus option that could potentially offer a larger bonus for certain properties through the conditional use permit (CUP) process. While the proposal was consistent with the commission's goals, the commissioners determined that the time-consuming and uncertain CUP process would present an excessive barrier to development.

Mr. Malakoutian said the Planning Commission determined that the LUCA does not meet the decision criteria in the Land Use Code because the LUCA is not consistent with the Comprehensive Plan and is contrary to the best interests of citizens and property owners. The commission recommended, by a vote of 5-1, that the City Council not adopt the affordable housing density bonus LUCA. Chair Malakoutian said the recommendation is provided as Attachment A in the meeting materials.

Kristina Gallant, Senior Planner, said this is an unusual situation in which the commission and staff have formulated different interpretations of the decision criteria. She said staff continues to recommend the LUCA. She said the City benefited from a robust public process involving the Planning Commission and stakeholders who shared concerns regarding the practical limits of this specific land use tool. Staff believes that a second phase of work is warranted to consider a selective map amendment to address the concerns. However, staff sees an important role for the LUCA in providing a baseline density increase that could be available for any eligible project under the new state law. Staff sees the LUCA as providing a significant uplift to properties that are already zoned for multifamily development, as well as a bonus for those single-family properties that lack characteristics that could support an upzone. Ms. Gallant said Phase 2 provides the opportunity to focus solely on those properties with untapped potential while seeing the currently proposed LUCA as complementary to future legislative changes.

Ms. Gallant described the proposed LUCA and the eligibility criteria. Housing developed under Action C-1 must be priced at 80 percent AMI or below. In single-family districts, the bonus applies to housing on land owned by religious organizations. In multifamily districts, eligible properties include land owned by a religious organization, nonprofit organization or a public agency. The density bonus is not available in the Downtown, Eastgate or BelRed areas. An analysis conducted earlier this year identified 111 qualifying parcels in single-family and multifamily zones.

Ms. Gallant said staff's intent was to create a "by right" 50 percent density bonus without any additional process. The underlying land use designation remains the same on a property. The guidance received by staff indicated that a 50 percent density bonus is the maximum bonus that could be applied without encountering issues related to the Comprehensive Plan. Ms. Gallant presented drawings depicting housing patterns with and without the 50 percent bonus. She said staff calculated the potential number of affordable housing units on the 111 eligible parcels in Bellevue under the base zoning, 15-percent bonus, and 50-percent bonus.

Ms. Gallant said the LUCA proposes scaled flexibility for lot area and surface coverage to ensure that the additional bonus units can be accommodated and provides additional building height and parking considerations. Staff proposes that duplexes and triplexes could be used for up to half of the units in single-family subdivisions, and the unit lot subdivision process could be applied to provide affordable home ownership.

Ms. Gallant said the public engagement process followed Process IV requirements for legal noticing and public hearings. The East Bellevue Community Council (EBCC) held a courtesy hearing on September 8, and the Planning Commission held a public hearing on September 22. There was extensive engagement with the faith community, nonprofit housing providers and members of the public, and information is provided online as well. Following future Council action, the EBCC will hold a public hearing on the LUCA and vote to approve or disapprove the City Council ordinance.

Mr. Brennan said staff will return in early 2022 with a request to initiate Phase 2 of the Action C-1 implementation effort. He noted the Planning Commission's interest in being bolder in

targeting specific properties where it makes the most sense. Mr. Brennan requested Council direction to bring back a final ordinance for future action.

Councilmember Barksdale, liaison to the Planning Commission, thanked Chair Malakoutian and the commissioners for their thoughtful discussion. He expressed support for moving forward with the LUCA now and launching Phase 2 next year. He said it is important to provide the necessary incentives to encourage the development of housing for lower household incomes as well.

Mayor Robinson noted the Council's interest in directing staff to come back next year with a map amendment to increase density on specific properties. She suggested focusing on increasing density in multifamily and multi-use areas, including in transit-oriented development (TOD).

Councilmember Stokes expressed support for moving forward with the LUCA. Responding to Mr. Stokes, Ms. Tanus said the EBCC may approve or disapprove the City Council decision and ordinance. Mr. Stokes thanked the Planning Commission for its review of the LUCA.

Responding to Councilmember Robertson, Ms. Tanus said the new state law does not specify the specific density bonus percentage. However, it states that cities are required to provide a density bonus consistent with local needs. In further response to Ms. Robertson, Ms. Tanus said staff looked not just at the local needs for affordable housing but also the local needs overall in terms of neighborhood priorities, compatibility, and other interests of the City.

Councilmember Robertson said she looks forward to discussing this work within the context of the planning work program next year. She asked the Planning Commission and staff to consider adding more meetings next year.

Ms. Robertson expressed support for considering a number of factors related to the density bonus including properties in multifamily and commercial zones and the proximity of housing to transit services. She said some cities have required every unit built at certain properties to be priced at 80 percent AMI or below. She expressed support for identifying incentives to provide deeper affordability. She thanked Chair Malakoutian for his work.

Deputy Mayor Nieuwenhuis asked about the number of faith-owned properties in the EBCC jurisdiction. Ms. Gallant said approximately 20 percent of the parcels are owned by religious organizations, and most are in single-family districts. Responding to Mr. Nieuwenhuis, Ms. Gallant said that when the LUCA was presented to the EBCC in September, it included the super bonus. EBCC members expressed concern regarding the number of parcels that might take advantage of the super bonus and the potential maximum density. Ms. Gallant said that EBCC members were also concerned about the concentration of affordable housing in their area and the impacts to surrounding neighborhoods. Mr. Nieuwenhuis thanked Ms. Tanus and Ms. Gallant for their work.

Responding to Councilmember Lee, Ms. Tanus said the LUCA applies only to the development of affordable housing on eligible properties with all units at 80 percent AMI or below. In further

response to Mr. Lee, Chair Malakoutian said the Planning Commission did not discuss the possibility of extending the bonus to all housing.

Councilmember Zahn thanked the Planning Commission for its work and expressed support for moving forward with the LUCA. Responding to Ms. Zahn, Ms. Gallant said the next phase will focus on maximizing the potential for affordable housing on certain parcels, especially in some of the lower zoned districts.

Ms. Zahn noted that only 24 of the 111 eligible parcels do not already have some type of housing. Responding to Ms. Zahn, Ms. Gallant said the density bonus provides an option for property owners to move forward with a partial or full redevelopment of their sites.

Mayor Robinson acknowledged the request for the Planning Commission to meet more frequently and for the Council and staff to review the overall planning work plan early next year.

→ Deputy Mayor Nieuwenhuis moved to direct staff to: 1) bring back the ordinance as drafted for final action at a future meeting, 2) bring back a map amendment to increase density in multifamily and multi-use areas, underzoned areas, transit-oriented development (TOD) and near high frequency transit services, and 3) look for incentives to generate deeper affordability housing. Councilmember Robertson seconded the motion.

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

At 8:40 p.m., Mayor Robinson declared a break. The meeting resumed at 8:50 p.m.

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

City Manager Miyake noted the Council's ongoing discussions regarding the East Main Station Area Land Use Code Amendment (LUCA).

DSD Director Brennan said staff is seeking direction to incorporate staff's recommendations for the outstanding topics to be discussed and to prepare the ordinance for final action at a future meeting. The LUCA topics to be discussed tonight include height and housing, fee in lieu, floor plate sizes, and exceptions for expansions.

Trisna Tanus, DSD Consulting Attorney, said this is the seventh study session to address the East Main Station Area LUCA, and final adoption is targeted for December. The public hearing was held on July 26. She said staff has worked with the primary stakeholders, Wig Properties and the Bellevue Club, throughout this process. Staff's recommendation and the earlier stakeholders' requests are summarized in the table provided as Attachment C to the meeting materials. Ms. Tanus said the Council's direction and decisions to date are provided in Attachment B, which also reflects revised requests from the stakeholders.

Ms. Tanus said staff was not prepared to respond to the changes requested and submitted today by the Eastside Housing Roundtable or to the letter submitted today by the Bellevue Club.

Ms. Tanus recalled that the Council decided on October 18 to allow departures from the Land Use Code through the establishment of a development agreement (DA). The purpose of the DA is to provide flexibility for project-specific needs and to achieve more affordable housing and other public benefits than available through the code. The DA process requires a public hearing before the Council's final decision.

Ms. Tanus said the growth targets for the 2019-2044 planning period anticipate 70,000 new jobs and 35,000 new housing units, including 1,200 to 1,500 in the East Main area.

Ms. Tanus presented a table of the LUCA topics with staff's recommendations and the stakeholder's requests. Staff recommends using the DA process to accommodate the stakeholder's requests.

Nick Whipple, Planning Manager, Development Services Department (DSD), said Option A, the current draft LUCA, includes a maximum building height of 230 feet (or 250 feet with mechanical equipment), a minimum housing requirement of 30 percent, and an affordable housing amenity as the first 75 percent of the public amenity. Option A was analyzed by the City's consultant in the economic incentive report and is deemed to be financially feasible and able to produce up to 70 affordable housing units at 80 percent AMI.

Option B, staff's recommendation, supports maximum building heights of 300/320 feet with the ability to increase heights to 400/420 feet through the DA, a minimum housing requirement of 35 percent, and affordable housing as the first 80 percent of the public amenity. This option could produce 1,515 housing units and approximately 87 affordable housing units.

The stakeholder requests building heights up to 400/420 feet on Main Street and along I-405 with shorter heights in the middle of the site and along 112th Avenue. Wig Properties is in favor of reducing the minimum housing requirement to 20 percent with a fee in lieu option, with the first 75 percent of the public amenity being earned through the affordable housing option.

Mr. Whipple said Wig Properties has indicated that high-rise residential development with affordable housing is not financially feasible. However, that is not supported by the City's technical analysis and the type of development occurring in the Downtown. Mr. Whipple noted that there is currently a strong market preference for office development over residential development.

Moving to the issue of an affordable housing fee in lieu, Mr. Whipple said the draft LUCA does not contain a fee in lieu option. Staff recommends a fee in lieu option for nonresidential development only, and the stakeholder requests a fee in lieu option for both residential and nonresidential development.

Mr. Whipple described the options for floor plate sizes and stepbacks. The floor plate framework established in the East Main code provides for a flexible building design while addressing how pedestrians experience a high-rise building and how it appears from a distance. The Council previously indicated a desire for larger floor plates in the East Main area for nonresidential

development and directed staff to use the Downtown-OLB (Office and Limited Business)-South district requirements. Mr. Whipple said the draft LUCA/staff's recommendation follows that previous direction.

The stakeholder requests a floor plate size of 25,000 square feet for nonresidential top floors above 80 feet versus the 20,000 square feet above 80 feet reflected in the draft LUCA. The stakeholder also requests unlimited square footage for floors above 40 feet for residential development, compared to floor plates of 20,000 square feet above 40 feet and 13,500 square feet above 80 feet for residential development in the draft LUCA. Mr. Whipple said the stakeholder requests no base setback requirement for residential development. The draft LUCA/staff's recommendation calls for 15-foot setbacks for both residential and nonresidential development. Mr. Whipple said the DA process would allow modifications.

Mr. Whipple said the floor plate sizes for nonresidential development are 30,000 square feet above 40 feet and 20,000 square feet above 80 feet, which matches the dimensions in the DT-OLB-S district. For residential development, the recommended floor plate sizes are 20,000 square feet above 40 feet and 13,500 square feet above 80 feet. Mr. Whipple said the City has heard that large floor plates are necessary to achieve the maximum floor area for the East Main site. An analysis indicated that reaching the maximum FAR is achievable within the boundaries of the draft LUCA.

Mr. Whipple recalled that the Council previously expressed an interest in allowing for the continued operation and expansion of the Bellevue Club without requiring it to meet East Main-specific requirements related to open space, minimum housing and other items that could be problematic for the club given its business model. Staff recommends allowing an exception for the expansion of the club and accessory hotel up to the base FAR. Mr. Whipple said that, according to King County's data, the Bellevue Club was built at 0.5 FAR. Staff's recommended exception would allow them to expand up to a maximum 2.5 FAR. The recommendation would apply certain design review guidelines and standards that are reasonable and appropriate (e.g., parking stall dimensions, pedestrian safety circulation requirements) to ensure that the future expansion is safe and consistent with the design criteria for the East Main TOD.

Mr. Whipple said the draft LUCA uses language consistent with the Downtown code (LUC 20.25A) for below-grade parking garages. Wig Properties has asked for an affirmative allowance to be drafted in the code to ensure that a below-grade parking garage may be built on their property. While staff believes amending the code is not necessary, the Council may choose to direct a revision for the East Main LUCA.

Mayor Robinson suggested going through each item and asking Councilmembers to indicate whether they support staff's recommendation.

Beginning with building height and housing, Councilmember Stokes expressed support for staff's recommendation and encouraged moving forward as quickly as possible.

Councilmember Lee said he wants to support whatever is feasible for the developer. He expressed support for staff's recommendation and for the option to use a DA for modifications.

Councilmember Barksdale expressed support for staff's recommendation.

Councilmember Robertson said she supports staff's recommended building height of 300/320 feet. However, she also supports the stakeholder's request for 160/180 feet in the middle of the East Main site and 90 feet along 112th Avenue. Referring to minimum housing, Ms. Robertson said the 35 percent requirement is 75 percent higher than in any other zone. The minimum housing requirement in the BelRed area is 20 percent and she suggests using the same in East Main. Ms. Robertson said her understanding is that the ECO Northwest study indicated that the development of affordable housing will be delayed under staff's proposal and that FAR and density cannot be maximized without taller buildings.

Mr. Brennan said staff has not seen the final ECO Northwest report. He said staff believes that the recommended LUCA achieves the development potential desired by the Council, and the DA provides additional flexibility to respond to economic and market conditions.

Councilmember Robertson said she supports the 300/320 feet building height with the option to modify up to 400/420 feet through the DA. She supports the stakeholder's request for lower building heights in the middle of the site and along 112th Avenue. She suggested a minimum housing requirement of 20 percent. She requested a copy of the ECO Northwest report. Councilmember Lee said he would like the report as well.

Councilmember Zahn expressed support for staff's recommendation. Responding to Ms. Zahn, Mr. Brennan confirmed that increasing the building height under a DA will require additional SEPA (State Environmental Policy Act) review.

Responding to Ms. Zahn, Mr. Whipple said the allowed building height is 70 feet within 50 feet of 112th Avenue. The stakeholder would like to increase the building height along 112th Avenue to a maximum of 90 feet and to have building heights gradually increase toward the middle (160/180 feet) and the freeway side (maximum height) of the site.

Deputy Mayor Nieuwenhuis expressed support for the maximum building height of 300/320 feet recommended by staff. However, he prefers the 30 percent minimum housing requirement and affordable housing as the first 75 percent of the public amenity, as reflected in the draft LUCA.

Mayor Robinson expressed support for staff's recommendation regarding height and housing and asked everyone to comment regarding the affordable housing amenity.

Councilmember Lee said he supports the maximum flexibility for the developer. He expressed support for the stakeholder's request (i.e., the first 75 percent of the public amenity will be affordable housing).

Councilmember Barksdale expressed support for staff's recommendation (i.e., the first 80 percent of the public amenity will be affordable housing).

Councilmember Robertson said she supports 75 percent as reflected in the draft LUCA and preferred by the stakeholder.

Councilmember Zahn expressed support for the staff recommendation.

Deputy Mayor Nieuwenhuis expressed support for 75 percent.

Mayor Robinson expressed support for staff's recommendation.

Councilmember Stokes concurred.

Mayor Robinson indicated that a majority of the Council supports the staff recommendation.

Moving to the fee in lieu issue, Mayor Robinson suggested adding the concept of a deed in lieu option to staff's recommendation. This would allow a developer to deed a portion of their land to a nonprofit housing organization to fulfill the developer's affordable housing requirement. Ms. Robinson said the model could potentially provide a deeper affordability level for housing units.

Councilmember Barksdale expressed support for staff's recommendation and noted that he is interested in exploring the Mayor's suggestion as well.

Mr. Brennan noted the deed in lieu concept has not been studied by the City.

Councilmember Barksdale said the deed in lieu concept would keep affordable housing on the site and would likely enable deeper affordability units.

Councilmember Robertson said she supports staff's recommendation with the option to discuss the deed in lieu concept through a DA. Councilmember Zahn, Deputy Mayor Nieuwenhuis and Councilmember Stokes concurred.

Councilmember Lee expressed support for the stakeholder's request for the fee in lieu option for both residential and nonresidential development.

Mayor Robinson indicated that a majority of the Council supports staff's recommendation regarding fee in lieu with an interest in examining the potential for a deed in lieu option through a DA.

Responding to Councilmember Robertson regarding floor plate size, Mr. Whipple said the draft LUCA is modeled after the BelRed code, which allows for unlimited floor plates for buildings that do not exceed 80 feet in height. For taller buildings, the middle floor plate size applies above 40 feet and a different floor plate size applies above 80 feet. Ms. Robertson said that, for buildings taller than 80 feet, she would like to allow the larger floor plates up to 80 feet instead of requiring them to get smaller at the 40-foot height. She said this would allow the development of more housing units.

Ms. Robertson said she is comfortable with the stakeholder's request for nonresidential development (floor plate size of 25,000 square feet above 80 feet instead of staff's recommendation of 20,000 square feet). She said that is consistent with the Eastside Housing Roundtable's recommendation as well.

- At 9:54 p.m., Councilmember Robertson moved to extend the meeting to 10:30 p.m. Deputy Mayor Nieuwenhuis seconded the motion.
- The motion carried by a vote of 7-0.

Councilmember Zahn asked whether there is a reason that staff's recommendation differs from the stakeholder's request for floor plate size for nonresidential development. Mr. Whipple said staff looked at the existing codes in the Downtown and BelRed areas and also heard direction from the Council to use the OLB-S requirements. He recalled that the original guiding principles encouraged larger floor plates for the East Main district. He said staff's recommendation reflects the OLB-S code.

Councilmember Zahn expressed support for the stakeholder's request. Deputy Mayor Nieuwenhuis and Mayor Robinson concurred.

Councilmember Stokes said he is a little concerned about the stakeholder's request. He said residential buildings could end up being very plain with no stepbacks. He said it is important to consider light on the site and other aesthetic elements. He expressed support for staff's recommendation but said he would like more information regarding the implications of the stakeholder's request. Mayor Robinson suggested that Councilmember Stokes meet with staff to explore his concerns.

Councilmember Lee expressed support for the stakeholder's request.

Councilmember Barksdale expressed support for the stakeholder's request but said he would like more information as requested by Councilmember Stokes.

Mayor Robinson noted that a majority of the Council supports the stakeholder's request.

Moving to the exception for the Bellevue Club, Mayor Robinson said the club has been concerned about the applicability of the LUCA requirements if they decide to expand their facility in the future. She suggested requiring either a fee in lieu or deed in lieu if the club wants to go beyond the base FAR in the code.

Councilmember Stokes concurred and suggested it would provide more flexibility.

Councilmember Lee said the Eastside Housing Roundtable recommended no affordable housing requirement for the Bellevue Club. Mr. Lee said he agrees with that, even if the club wanted to go beyond the base FAR with an expansion of its facility.

Councilmember Barksdale expressed support for Mayor Robinson's suggestion.

Councilmember Robertson expressed support for staff's recommendation to provide an exception for the Bellevue Club. She noted the club's history in the community and said she wants to continue to support it.

Councilmember Zahn expressed support for staff's recommendation.

Deputy Mayor Nieuwenhuis said he supports staff's recommendation as well as adding the deed in lieu option to the DA process.

Mayor Robinson noted majority support for staff's recommendation for an exception for the Bellevue Club.

Moving to below-grade parking, Councilmember Zahn expressed support for the stakeholder's request to include an affirmative allowance in the East Main LUCA for a below-grade parking garage.

Mayor Robinson noted a Council consensus in support of the stakeholder's request.

- Deputy Mayor Nieuwenhuis moved to direct staff to incorporate both staff and Council recommendations for building height, minimum housing, affordable housing, fee in lieu, floor plate size, an exception for the expansion of an existing use, and below-grade parking for Council consideration and action at a future meeting. Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.

Councilmember Robertson said she would like to discuss phasing related to the minimum housing requirement. Mr. Brennan said staff would explore the issue.

Deputy Mayor Nieuwenhuis noted that the stakeholder previously expressed concerns about block length and perimeter requirements. Mr. Brennan said those and other issues can be addressed through the DA process.

Councilmember Lee said the stakeholder's letter raised the issue of the timing for providing the minimum required housing.

Councilmember Zahn suggested that the timing for developing housing could be addressed through the DA. She expressed support for moving forward to finalize the LUCA.

Councilmember Robertson suggested it would be more appropriate to address the timing of housing development in the Land Use Code instead of through the DA.

Mr. Brennan said the City has not had the opportunity to evaluate the Wig Properties proposal regarding phasing the housing development. He said staff will draft code language for the Council's consideration.

11. Land Use: None.

12. Other Ordinances, Resolution, and Motions

- (a) Ordinance No. 6616 to amend sections 20.20.120, 20.20.140, 20.20.700, and 20.50.020 of the Land Use Code (LUC) to remove limitations on the number of unrelated persons that may occupy a dwelling unit, and amend LUC 20.30N.140, 20.50.044 and 20.50.046 for clarification and consistency; repealing Ordinance No. 6586; providing for severability; and establishing an effective date.

Mr. Miyake introduced discussion and Council action on Ordinance No. 6616 regarding residential occupancy limits.

Ms. Tanus said state legislation effective on July 25 amended RCW 35A.21.314 to prohibit cities from regulating the number of unrelated occupants in a dwelling. The Council adopted an interim official control (IOC) through Ordinance No. 6586 to comply with the new law by the effective date. The proposed LUCA will replace the IOC.

Caleb Miller, Senior Planner, highlighted the existing health and safety regulations under the Bellevue City Code (e.g., fire safety/egress, building code, sanitation, heat/light/air, noise control, nuisance, parking and traffic) and the Land Use Code (e.g., transient lodging, parking and circulation on private property).

Mr. Miller said the residential occupancy LUCA amends the definitions of family and single housekeeping unit and removes certain limits for specific housing types (e.g., accessory dwelling units, boarding houses, rooming houses). Boarding houses and bed and breakfast inns are limited to renting two rooms to a maximum of two people. However, residency limits are removed for occupancies beyond 30 days. Rooming houses are currently limited to a maximum of four rooms rented to five individuals. The LUCA maintains the four-room limit but eliminates the limit on the number of occupants.

Mr. Miller said staff followed Process IV requirements for legal noticing and holding the public hearing. Information regarding the LUCA is provided online as well. Mr. Miller said the only public comment received by staff expressed concerns regarding increased activity, parking demand and traffic impacts.

Mr. Miller said the East Bellevue Community Council (EBCC) held a courtesy hearing regarding the LUCA on October 5. Following adoption by the City Council, the LUCA will be presented to the EBCC for a public hearing and action on the City Council ordinance. The IOC expires on January 12, 2022. Mr. Miller said staff recommends adoption of the ordinance.

Mayor Robinson said the Council has discussed this LUCA a number of times.

Responding to Deputy Mayor Nieuwenhuis, Mr. Miller said the EBCC members expressed general concerns regarding increased activity, parking and traffic impacts.

- Deputy Mayor Nieuwenhuis moved to adopt Ordinance No. 6616, and Councilmember Stokes seconded the motion.
- The motion carried by a vote of 7-0.
- 13. Unfinished Business: None.
- 14. New Business: None.
- 15. Executive Session: None.
- 16. Adjournment

At 10:27 p.m., Mayor Robinson declared the meeting adjourned.

Charmaine Arredondo, CMC
City Clerk

/kaw