

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

October 15, 2007
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Degginger, Deputy Mayor Chelminiak, and Councilmembers Balducci, Davidson, Lee, Marshall and Noble

ABSENT: None.

1. Executive Session

Deputy Mayor Chelminiak called the meeting to order at 6:00 p.m. and announced recess to Executive Session for approximately 45 minutes to discuss one item of labor negotiations, one item of property acquisition, and one item of property disposition.

At 6:48 p.m., the meeting reconvened with Mayor Degginger presiding.

2. Study Session

(a) ARCH Affordable Housing Overview and Strategies

City Manager Steve Sarkozy opened staff's presentation regarding ARCH (A Regional Coalition for Housing). Planning Director Dan Stroh explained that the purpose of the presentation is to report on three ARCH Housing Strategy Workshops held recently in which four Councilmembers participated. The second is to discuss a proposed work program for Bellevue to address work force/affordable housing [Attachment 1, beginning on page SS 2-5 of meeting packet].

Arthur Sullivan, ARCH Program Manager, explained that one outcome of the workshops was the idea that it would be helpful to members for ARCH to develop a training program to ensure that City Councils, Commissioners, and staff have a common basis of definitions and understanding of local housing issues in order to evaluate policy issues. He noted the distribution of the Housing 101 workbook to Councilmembers with their meeting packet. The second outcome is a decision to identify strategies to augment existing efforts addressing affordable housing. The

workbook covers needs in the community, housing supply, successful past strategies, affordable housing funding sources, and key factors that will influence future policies.

Mr. Sullivan reviewed sections of the Housing 101 workbook. He discussed affordability guidelines used for East King County based on the state Growth Management Act. Low income is defined as 50 percent of the median income, and moderate income is 80 percent of the median income. Mr. Sullivan reviewed sample salaries for a range of job categories and noted that housing prices have increased much faster than incomes during the past five years. The increase in housing prices has contributed to a surge in apartment-to-condominium conversions as well. Accordingly, rents have increased faster than incomes for about the past year.

Mr. Sullivan described the creation by a group of governments and service providers in 2005 of the 10-Year Plan to End Homelessness. Because the need for affordable housing varies throughout the county, a group of service providers and government staff then worked together to create the East King County Plan to End Homelessness. The countywide plan's objective is to create 8,000 housing units over the next 10 years. The East King County plan focuses more specifically on local populations in need of affordable housing as well as emphasizing current prevention strategies in East King County, including programs to address family needs.

Mr. Sullivan noted that 55 percent of households in Bellevue and East King County are one- or two-person households, which will likely affect how the housing issue is addressed in the future. The proportion of the elderly population is increasing as well, with most of the increase involving persons over age 75. More than 80 percent of Bellevue's residential capacity is in mixed use zones, which is similar to many communities in King County.

Mr. Sullivan said the primary demand for housing comes from the work force. The current demand for housing exceeds the supply and is expected to continue to increase. Mr. Sullivan reviewed the types and number of housing projects funded by ARCH since 1993, representing total funding of \$22.5 million. These dollars have leveraged additional funding from the county, state and federal governments as well as private resources.

ARCH provides a wide range of projects including transitional, family, seniors, and special needs households. ARCH funding has remained relatively flat for the past couple of years, while housing costs continue to increase fairly significantly. Mr. Sullivan noted that specific policies, for example those related to accessory dwelling units, have helped to achieve affordable housing for moderate income persons. However, some type of financial assistance is typically needed for low income housing units.

Mr. Sullivan reviewed strategic priorities for augmenting current activities to provide affordable housing and to better respond to the constraints of the general housing market as well as local revenue sources. Four areas of focus were identified: 1) Direct local support (including temporary property tax exemption for mixed use zones), 2) Leveraging other forms of direct support by public and private sources (including employer housing programs), 3) Land use incentives for affordable housing, and 4) General land use/building regulations to increase

housing diversity (e.g., Housing Emphasis Zones within mixed use areas and smaller homes in single-family areas).

Mr. Stroh reviewed the proposed work program for Bellevue to address work force and affordable housing. The first phase focuses on encouraging affordable housing in the Bel-Red corridor through incentive zoning, a multifamily property tax exemption, and other tools. Mr. Stroh noted principles from the Bel-Red Corridor Study identifying affordable housing as an objective of redevelopment. Incentives must be examined in the context of the overall infrastructure, and financial tools (e.g., property tax exemption) will be addressed as part of a comprehensive financial strategy. Additional stakeholder involvement is needed, and the Planning Commission will conduct its review and make recommendations.

Mr. Stroh reviewed Bellevue's current policy priorities to serve at-risk populations, preserve existing affordable housing, and to serve Bellevue residents and workers. A second phase of the work program could address: 1) Code updates regarding housing incentives, as suggested by the 2004 Comprehensive Plan, 2) Housing demonstration projects, and 3) ARCH priority housing strategies.

Councilmember Marshall expressed support for the proposed strategy. She encouraged a focus on one-story housing units, particularly to accommodate seniors.

Councilmember Lee commended ARCH for its success in completing projects using private and public sector funding. He expressed support for an aggressive approach incorporating incentives and focusing on demographic based needs. He supports a strategy to encourage affordable housing in the Bel-Red corridor.

Councilmember Noble noted the seriousness of this issue and the lack of new affordable housing on the Eastside since 2002. He supports moving forward with the proposed work program, and he encouraged the consideration of policies that will apply to the whole city instead of just in the Bel-Red corridor. Mr. Noble feels past incentives have not been as successful as they could be.

Mr. Stroh acknowledged that while the Bel-Red corridor is intended to be the first area of emphasis for affordable housing policies, staff feels the approach could be expanded later to other parts of the community. He noted that housing is planned in the redevelopment of Factoria Mall as well. For the Bel-Red area, incentives could include higher building heights. Mr. Stroh acknowledged that some incentives, such as one allowing a modest density increase, have not been effective at all.

Councilmember Balducci expressed support for an aggressive approach, and noted the importance of affordability to allow senior residents to remain in the community. She supports the use of public and private sector partnerships to help achieve housing goals.

Responding to Ms. Balducci, Mr. Stroh said Bellevue currently allows attached accessory dwelling units (ADUs) only. Significantly more ADUs could become available if detached units are allowed. Mr. Sullivan commented that most communities allow detached ADUs.

Deputy Mayor Chelminiak expressed support for the two-phased work program proposed by staff and for addressing Housing Trust Fund priorities during Phase 1. He said housing incentives will need to be carefully analyzed within the context of incentives in other areas including transportation and the environment.

Responding to Councilmember Davidson, Mr. Stroh recalled the adoption of an ordinance in the early 1990s requiring that 10 percent of all new housing in the community must be affordable to those with 80 percent or below the median income. The requirement was in place for four to five years. In lieu of payments to the Housing Trust Fund were allowed and continue to be collected for some developments.

Mayor Degginger expressed support for the proposed work program, noting that workers with relatively low incomes are often commuting long distances due to the lack of affordable housing. He thanked Mr. Sullivan for his work with ARCH.

(b) Environmental Stewardship Initiative Update

Utilities Director Denny Vidmar recalled that during the June 11 Study Session, the City Council approved the following action items as part of the Environmental Stewardship Initiative:

1) Greenhouse gas emissions study, 2) Increased recycling in City parks, 3) Tree program, 4) Natural drainage practices, and 5) Sustainable development (Green building). The collection of data for the greenhouse gas emissions study will be completed at the end of this month. The City has added approximately 200 recycling containers at parks and school ball fields managed by the City. Data collection for the tree program study has been completed, and a contract for an urban ecological analysis of the data is being negotiated at this time.

Mr. Vidmar reported that the Utilities Department plans to complete and adopt natural drainage practices (NDP) standards by January 2008. These will facilitate the incorporation of five natural drainage practices into private and public projects. The City has hired a consultant to develop a low-impact development incentives manual for the Bel-Red corridor. Regarding Green Building practices, Mr. Vidmar said staff has attended training to learn more about current sustainable building techniques and strategies.

Mr. Vidmar said the Employee Picnic was conducted as a “zero waste” event, and 96 percent of the waste was either eliminated or diverted to recycling. He briefly reviewed additional environmentally friendly practices employed by the City. He noted staff is formulating a comprehensive communications plan for the Environmental Stewardship Initiative.

Councilmember Lee requested information regarding the cost of environmental measures (e.g., using fuel efficient fleet vehicles).

Responding to Mr. Noble, Mr. Vidmar said the City’s fleet currently has seven Toyota Prius cars and 13 hybrid Ford Escape SUVs. Staff is reviewing proposals for a hybrid boom truck, the first medium-heavy hybrid vehicle in the fleet (replacing diesel). The City owns a few flex fuel

vehicles that can use more than one type of fuel, and all future Police Crown Victoria cruisers will be flex fuel vehicles as of 2008.

(c) Pavement Restoration Practices Update

[Item moved to Regular Session Agenda Item 5, City Manager's Report.]

At 8:00 p.m., Mayor Degginger declared recess to the Regular Session.

Myrna L. Basich
City Clerk

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