

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
MEETING MINUTES

July 10, 2013
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chair Tebelius, Commissioners Carlson, Ferris, Hamlin, Hilhorst, Laing

COMMISSIONERS ABSENT: None

STAFF PRESENT: Paul Inghram, Janet Lewine, Andrew Kidde, Arthur Sullivan, Department of Planning and Community Development; Paul Andersson, City Manager's Office

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:36 p.m. by Chair Tebelius who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present.

3. PUBLIC COMMENT – None

4. APPROVAL OF AGENDA

A motion to approve the agenda was made by Commissioner Laing. The motion was seconded by Commissioner Hilhorst and it carried unanimously.

5. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS, BOARDS AND COMMISSIONS

Commissioner Ferris noted that the Downtown Livability CAC had not met since the last Planning Commission meeting but would be meeting again on July 17. Two open house events, however, were held the evening of July 9 and the morning of July 10

Commissioner Laing said he and Co-chair Simas met with staff following the June 19 meeting of the CAC to discuss the schedule.

6. STAFF REPORTS

Mr. Inghram reported that on July 8 the Commission's recommendation on the three Comprehensive Plan amendment proposals was presented to the City Council. The Council followed the recommendations. The Councilmembers also concurred with the Commission

relative to the need to address the zoning issue in Bel-Red, particularly how the Medical Office zone fits in with other zones.

In reporting on the presentation to City Council, Chair Tebelius said the staff did a wonderful job answering all of the technical questions. With regard to the Bellevue Apartments Comprehensive Plan amendment, concern was expressed about expanding the scope and the domino effect that might have on the surrounding Multifamily-Medium sites.

Chair Tebelius said both the property owner and tenant of the Bel-Kirk Office Comprehensive Plan amendment addressed the Council ~~directly~~. She said the Council clearly wants staff to look into the issue, ~~and wants to avoid being pulled into the debate~~. Mr. Inghram said staff had previously addressed the issue with the City Attorney's office and made the determination that the application was legitimate. He said staff will continue to work with the City Attorney in identifying what risk if any the city could face in continuing to review the application.

Chair Tebelius said the Council did express concern about losing property zoned Light Industrial.

Chair Tebelius noted that Council agreed entirely with the Commission's conclusion to not advance the Bel-Red/Medical Office designation, but they clearly recognized the need to address the wider issues. There was discussion about the Commission's recommendation to take up the issues sooner rather than later. Mr. Inghram said the staff is willing to come back to the Council with a range of options for how to review Bel-Red in general.

Mr. Inghram reported that he attended the Canadian planning conference in Vancouver, B.C. on July 6 and 7. He said he participated in a discussion that compared Bel-Red, South Lake Union and Vancouver.

Mr. Inghram informed the Commission that the Shoreline Master Program will be before the Council again on July 15 for a discussion of the next steps.

Mr. Inghram reported that 65,000 people attended the 4th of July celebrations in Downtown Park.

Chair Tebelius noted that the Arts Fair drew 320,000 persons in 2012. The fair is set to happen again in two weeks and there will be 310 vendors that were chosen from over 900 applicants from around the country. Sales tax is collected for every purchase, so the event is certainly an economic boon for the city. The Arts Fair is the largest and the oldest arts fair in the state.

7. STUDY SESSION

A. Comprehensive Plan Update

i. Introduction of the Environment Element

Mr. Inghram informed the Commissioners that the best ideas campaign closed out on July 4. Over 125 ideas were submitted in all by several hundred different people. A full report will be given to the Commission at its meeting on July 24. Some of the ideas that were submitted were the need for a performing arts center; fiber optic internet access; a downtown children's museum; more of an emphasis on community gathering places in the neighborhoods; alternative

transportation options; more of a presence in the Seattle International Film Festival; early education for children; and a focus on small businesses.

Mr. Inghram noted that a number of key topics have been identified as part of the Comprehensive Plan update, including economic development, environmental stewardship, community health, mobility, cultural diversity, neighborhood centers, community gathering places, and partnerships and collaborations. The Commission has been focused on identifying issues and is about to undertake the analysis segment that will form the basis for identifying changes that need to be made to the Comprehensive Plan. Throughout the process outreach to the community stakeholders will continue.

Paul Andersson, program administrator for the Environmental Stewardship Initiative, commented that as Bellevue matures and more is learned about the relationship between the developed and natural environment, urban environmental concerns assume a higher priority in public policy. The city leads and supports efforts to protect and improve the environment. The element covers a variety of topics ranging from general environmental stewardship to noise pollution. Environmental topics are included in other Comprehensive Plan elements as well.

Mediation Program manager Andrew Kidde said one thing that has changed since the last major Comprehensive Plan update is the climate and more specifically the city's awareness of the relationship between changes in climate and carbon pollution that has resulted from the industrial age. Recently the carbon dioxide parts per million count went up to 400, a level that has not been seen before. As the carbon in the air has increased, there has been a corresponding increase in temperature; over the last one hundred years there has been an increase of 1.5 degree Fahrenheit, and the projection is for the temperature to continue increasing. Temperatures have been going up over the last 80 years in almost all areas of the Northwest. The increasing temperature correlates with a decrease in snowpack, and that has significant implications for Bellevue in that the city depends on snowpack for its water supply.

Answering a question asked by Chair Tebelius, Mr. Kidde said the temperature increase data is gathered in a number of different ways globally, primarily by climate scientists. He said he relied on data from the Climate Impact Group at the University of Washington. Mr. Andersson said the group is fairly renowned and looks a lot at local changes and projections for the atmosphere and the climate. Generally the temperature recordings are taken from weather monitoring stations and averaged to get annual averages, and the annual averages are compared over time. He noted that globally 2012 was the hottest year on record.

Mr. Kidde explained that the oceans absorb a tremendous amount of the carbon dioxide that is being put into the atmosphere. The chemistry of the ocean changes as it absorbs more carbon dioxide; in particular its pH level drops. One ramification scientists are finding is that at lower pH levels the ability of sea creatures to form calcium structures is compromised. The shellfish and oyster industries in Washington state have been greatly impacted; with oysters no longer able to hatch in open sea water in the state, some of the operations have moved to Hawaii.

A 1.5 degree Fahrenheit increase does not seem like much on its face, but in fact it is causing rather significant effects. Sea levels are rising, droughts are more accentuated, forest fires are more widespread and severe, and locally the shellfish industry has been compromised. The insurance industry has noted the impacts of climate change on places like southern Florida and has as a result built climate change into all of its industry models. The United States Army has identified climate change as one of the biggest threats to the security of the nation and has begun

a number of different net zero carbon emissions programs. Many cities around the country are adopting plans to deal with the effects of climate change; many of them are coastal cities who will have to deal with rising waters and super storms. A study just recently released by the Massachusetts Institute of Technology corroborates the hypothesis that climate change will cause an increase in the intensity and frequency of cyclones.

Bellevue believes there will be significant effects resulting from climate change that will need to be addressed. The work to update the Comprehensive Plan is the time to make changes.

Mr. Andersson said steps taken at the municipal level by Bellevue include the Resource Conservation Manager program, which has gotten City Hall one of the highest energy star ratings for any city hall nationwide; only five others match the city's score of 96; the parks lighting retrofit program; switching all of the city's traffic signals to LEDs; reducing paper consumption through a variety of means; utilizing a hybrid and electric fleet; and the creation of the Carbon Footprint Dashboard, an online resource that shows the current carbon footprint of the city at any given time.

The Resource Conservation Manager program was kicked off with some help from Puget Sound Energy in the form of a grant. To date the manager, Emma Johnson, has helped the city save close to \$500,000 in cumulative energy bill savings. She has also garnered a number of conservation grants for the city, and has reduced the metric ton CO₂ equivalent by close to 3000, which is tantamount to taking 555 cars off the road.

Mr. Andersson shared with the Commissioners a chart showing the city's greenhouse gas inventory compiled in 2006, a backcast to 1990 and a forecast to 2025. He said the city's adopted goal is to reduce greenhouse gas emissions to seven percent below the 1990 level by 2012. Major progress has been made to date and the city is about halfway to its goal, though the goal was not reached by 2012. Greater investment will need to be made by the city and the community to ultimately reach the goal.

Answering a question asked by Commissioner Laing, Mr. Andersson said the portfolio of the energy consumed by the city includes a small amount of nuclear power, a large bit of hydropower, and a large bit of coal power. The CO₂ emissions reflected on the chart result from the coal power. The increase in building consumption can be tied in part to the fact that the city has since 1990 increased the total number of facilities it operates. Given that information, Commissioner Laing suggested the only way to bring down the carbon emission number is by selecting a different source of electricity. Mr. Andersson said conservation is a vital element. It is followed closely by efficiency. The third element is renewable and new sources of energy. Currently about half of the electricity supplied by Puget Sound Energy is derived from the burning of coal mined in Montana; about 40 percent is hydro power, there is a small percentage of nuclear power, and a small percentage of renewables.

Commissioner Carlson commented that based on those figures half of what it takes to operate an electric vehicle comes from the burning of coal. Mr. Andersson said that is true but under I-937 the energy portfolio continues to get cleaner over time.

Mr. Andersson said the list of community actions the city has been working on include transit-oriented developments, electric vehicle infrastructure, commute trip reduction, a green business challenge, a new public engagement website called greenWA.org, home energy reports, and the Stream Team and Master Naturalist programs.

The city operates 16 public use electric vehicle charging stations and 22 public and private stations. To date those stations have saved over 6200 gallons of gasoline and have generated both environmental and economic benefits.

The Commissioners were shown a chart indicating emissions on the part of the community. Mr. Andersson noted that while the emissions have flatlined, they have not decreased.

Mr. Andersson said the use of natural drainage practices are on the increase. There are currently 33 private and city-owned rain gardens, and 28 private and city-owned bioswales. However, 40 percent of the total area of Bellevue is impervious. The city is paying close attention to stormwater and has been for some time under the NPDES permit; all new developments are required to manage stormwater onsite.

Commissioner Ferris commented that the Commission heard plenty of testimony during the Shoreline Master Program process about runoff into Phantom Lake. The problem is occurring because the regulations in place at the time the upland developments were constructed were inadequate. Under the new regulations any development that impacts 5000 square feet of existing impervious surface, or creates that much new impervious surface, must bring everything up to match all current requirements. Over time that will help to improve runoff from existing impervious areas. There is, however, a high cost involved to what is overall a community benefit. It is cost effective and ~~efficacious~~ efficient to construct rain gardens or stormwater facilities that serve more than a single property, but there is no vehicle set up to create community systems.

Commissioner Laing said it would be helpful to know how much of the 40 percent impervious surface area is public right-of-way. He agreed there is a need to look at policy language that allow for collective treatment options.

Chair Tebelius said she was encouraged to hear that the city has hired a new stormwater person. ~~who has brought with him a different focus.~~ The city has met with Phantom Lake property owners to discuss the stormwater issues with them, and it appears that improvements will be able to be made over time. Chair Tebelius noted that Councilmember Stokes is enthusiastic about trying to resolve the Phantom Lake issues.

Commissioner Hamlin said he did not see anything in the policies around the idea of daylighting streams, particularly in the Bel-Red area.

With regard to tree canopy, Mr. Andersson said the American Forest Society recommends 40 percent coverage citywide. In 2007 when the city's tree canopy was measured, it was found that it stood at only 36 percent. A significant amount of coverage has been lost since then. One of every five trees in Bellevue has been removed since 1986, which flies in the face of Bellevue's claim to be a city in a park. Most of the loss has occurred on private land. The losses that have occurred on public lands for the most part were to accommodate roadway projects, and in some of those cases trees were or will be replanted.

~~Chair Tebelius suggested it would be fair to say that the Growth Management Act, which focuses growth in urban areas, has been a contributing factor to the loss of the tree canopy in urban areas such as Bellevue. She suggested one goal should be to increase tree planting in public areas.~~

Commissioner Laing asked if the city and/or other government agencies have the same replacement ratio when trees are removed to accommodate projects. Trees have been removed to allow for freeway projects, and the light rail project will decimate the tree canopy along Bellevue Way. Mr. Andersson said there is a lot of room for process and policy improvement. Currently the replacement of trees is handled on a case-by-case basis. The city can and does take legal action to get reimbursed for the cost of replacing trees illegally removed by property owners.

Commissioner Ferris said the only requirement for private property owners is to retain 30 percent of the significant trees on their site to accommodate development or redevelopment. That means 70 percent of the trees can be removed, and there is no replacement requirement unless more than 30 percent of the trees are removed. Other jurisdictions have much stricter requirements.

Chair Tebelius suggested that an education process is needed because people simply do not know the benefits of having a tree canopy. Once they understand the benefits, they will partner with the city in retaining trees without having to be required to do so under threat of remedial action.

Commissioner Carlson said the city has a program for community groups, such as Scouts, to restore trails. The city should also have a program that would supply and plant trees for private property owners. At the very least the city should make it as easy as possible for private property owners to increase the tree canopy on their properties.

Mr. Andersson said a researcher out of the University of Washington did a study in which he monetized the value of trees for shopping districts. He found that when people visit shopping areas that have more trees and foliage they spend more money there. The current trendline, if allowed to continue, will mean Bellevue will not be a city in a park by 2050.

A number of businesses are making strides in the right direction. Microsoft has moved toward being carbon neutral by instituting an internal carbon tax. Ikea is installing solar facilities at 90 percent of its United States stores. Bellevue Nissan claims to have the highest sales of the Leaf electric vehicle in the nation. Bellevue College has a near-carbon neutral 2050 goal. Additionally, many Bellevue residents are living greener lifestyles in general.

Mr. Andersson allowed that there are gaps to be addressed in the current Environment Element. There is no mention of climate change, greenhouse gas emissions, or carbon dioxide pollution. There are no tree canopy retention targets. There is nothing about the substantial opportunities for integrated capital improvement project design.

Chair Tebelius said she would like to see a policy addressing runoff from sidewalks as well as streets. She said she personally would prefer not to have concrete sidewalks.

Commissioner Carlson commented that all of the city's environmental goals and values should be aimed at improving Bellevue's environment. He also pointed out that the global warming that began in the 1970s leveled off in the 1990s and is not continuing to increase. The University of East Anglia, the IPCC, which shared the Nobel Prize with Al Gore, even James Hanson from NASA, all acknowledge that fact. None of the computer models predicted the leveling off and many are seeking ideas to explain why the warming trend is not continuing. The national consensus in the 1970s that the world was running out of oil today appears to be incorrect, and the same thing might be happening with the mantra about climate change. The Environment Element will be on strong ground by simply talking about improving Bellevue's environment.

Mr. Inghram responded by suggesting that the current Environment Element is in fact very specific to Bellevue's environment. It is focused on the natural resources the city has and talks about both protecting and restoring them. What the current element does not do is talk about Bellevue's place in the broader region or the world. Regardless of what the scientific community currently holds to be true, the Bellevue community has voiced a level of interest in climate change that the current plan does not speak to.

Chair Tebelius allowed that there are certain words that cause people to take sides on climate change. She suggested, however, that no one on either side would disagree with the city doing everything it can to keep the environment in as pristine a condition as possible. In updating the element, terms that will not cause conflict but that encourage people to do what they can should be used.

Commissioner Laing concurred. He said there are a lot of things that surround the climate change issues, and often the divisiveness comes down to how the issues are dealt with. Everybody agrees with the need for clean air and water, but the prescriptive aspects can trigger negative reactions. From a social standpoint, it would not be a good idea to create and adopt a planning document that itself is divisive or triggers debate. Carbon dioxide is bad for the environment, but methane concentrations are far higher and the top source of methane is wetlands. It would be absurd to suggest eliminating all wetlands from Bellevue in order to reduce methane emissions into the atmosphere.

Commissioner Hilhorst agreed that there are common points. She said what sticks out to her is that unless something is done, Bellevue will in a few years no longer be the city in a park that it claims to be. The common issues, words and visions need to be sought out and incorporated into the document.

Mr. Andersson also noted that the current element does not have a specific energy component or any planning around resiliency and adaptation.

Commissioner Ferris asked if there will be any opportunity for the Planning Commission to get involved in crafting implementation strategies for the policies the element will contain. Mr. Inghram said he thought there would be. He stressed that the Comprehensive Plan is comprehensive, addresses every issue that impacts the city, and the work to update it needs to be completed in about 18 months. Accordingly, there will be a limit on how much depth the Commission will be able to go into, but certainly every opportunity should be taken to identify implementation strategies as the process moves forward. The implementation details, however, are usually housed in the functional plans.

ii. Review Analyses of Housing

Associate Planner Janet Lewine reminded the Commissioners that a joint meeting with the Human Services Commission was conducted on March 13. At that meeting the focus was on a review of the Housing Element and the East King County housing data. She said the Housing Element was the first element to receive a second review by the Commission in the process of updating the Comprehensive Plan, but stressed that the act of drafting actual changes to the policies in the element would not occur until the fall.

Ms. Lewine said the Housing Element serves as the foundation for how to address the city's housing needs. It is informed by the Growth Management Act, the Countywide Planning

Policies, regional plans such as Puget Sound Regional Council's Vision 2040, the Comprehensive Plan elements and subarea plans, the Housing Strategy plan, which is a prioritized list of housing-related work items, and local programs.

A Regional Coalition for Housing (ARCH) director Arthur Sullivan said the Housing Element of the Comprehensive Plan serves as a policy high-level. Many cities, after they draft their policies, go directly into the process of crafting a prioritized list of strategies to implement the policies over the next three to five years. One of the policies in Redmond's housing element is to create a strategy plan.

Ms. Lewine reviewed with the Commissioners the goals of the current Housing Element. She noted that the element has four sections that focus on the quality of residential neighborhoods throughout the city. Overall the policies continue to work well. The city's neighborhoods vary in character but they are predominantly well maintained and have a strong sense of pride. The ratio of single family to multifamily has shifted over the last 20 years to almost 1:1, but the percentage of ownership units has remained stable at about 60 percent.

The neighborhood character work program was undertaken since the Comprehensive Plan was last updated. It was focused on adopting regulations to facilitate healthy changes in the neighborhoods while protecting residents from new out-of-character development and the wholesale removal of existing trees.

The affordable housing section of the Housing Element is aimed at providing opportunities for all economic segments of the population. The lack of affordable housing ranks very high as a problem in the city's biennial human services survey. The special needs housing section covers senior and other kinds of special needs housing. City dollars funneled in the ARCH program has produced 2800 units in the participating cities; more than 900 of those units are in Bellevue. ARCH units are targeted at those making 60 percent or less of the area median income because the market fails to do so. In addition to allocating money, the city has donated or leased city-owned land for affordable housing developments.

The voluntary incentives in place in Bellevue aimed at generating affordable housing units have not proven to be effective. Requiring the inclusion of affordable housing units as part of a rezone may hold some potential; that approach was used in Bel-Red. An incentive for reducing parking requirements for affordable studio apartments in the downtown and Bel-Red is in place. Transportation impact fees can also be waived for affordable units. The city has not implemented the multifamily tax exemption as Seattle and some Eastside cities have done; the program does away with property taxes for up to 12 years for multifamily buildings that include at least 20 percent affordable units.

Commissioner Ferris commented that the multifamily tax exemption has been very effective in Tacoma, Spokane, most Eastside cities, and in other cities comparable in size to Bellevue. Two years ago the Commission made a presentation to the Council encouraging them to add the practice as an incentive tool, but nothing has come of it. Mr. Inghram said the Council has in fact expressed an interest in the tool but allowed there has not been a lot of momentum behind it, possibly because there has not been a lot of development activity over the last couple of years.

Ms. Lewine said rezones to allow housing have had positive impacts for the city. In the 1980s the downtown plan was changed to encourage housing units. The 2009 Bel-Red rezone could result in as many as 5000 new units. There have been rezone and subarea plan changes to the

Lake Hills Shopping Center, Factoria Shopping Center, and the Crossroads Shopping Center, all of which could result in redevelopment with new housing; it would be good to add Newport Hills to the list as well. Through the PUD process there is the opportunity to cluster density, and the city also allows attached accessory dwelling units; both of those approaches contribute to the affordable housing stock.

Ms. Lewine highlighted the importance of priming the pump for the development of affordable housing in the corridors where transit investments will be made. The same was done in the downtown several years ago, and the catalyst projects helped developers see that they could achieve success.

Commissioner Ferris asked if there are plans to develop data with respect to the housing needs of specific neighborhoods so there can be a balance of affordability across the city. He added that achieving affordability in the downtown is challenging because the land and construction costs are so high, which could be problematic given that the downtown area is where 60 percent of the city's housing growth potential is focused. Mr. Inghram allowed that the question is a good one. He noted that percentage objectives were adopted as part of Bel-Red, but while the greatest potential is in the downtown, it would be good to work out the citywide need. There is a policy in place that calls for distributing affordable housing across the city. To get affordable units in the downtown is difficult and costly, but not to create affordable units there could translate into the concentration of units in other areas.

Commissioner Hamlin suggested that because the focus of housing will be on the downtown, some steps should be taken to determine what can be done to achieve affordable housing in that part of the city. Mr. Sullivan pointed out that between 1993 and 2010 the market has produced 1152 units in the downtown that are affordable at 80 percent of median income, all of which are studio apartments. While studios cannot be the whole solution, they are something the downtown can contribute toward the city's overall goals. There may be, however, ways to help make downtown units even more affordable, and no idea should be ignored.

Commissioner Ferris said he would like to see the Commission highlight the problem, not just say the city has come close in the past.

Commissioner Laing commented that the cost of trying to provide an affordable housing unit in the downtown could probably pay for several affordable housing units outside of the downtown. The reality is that Bellevue has neighborhoods that are expensive and neighborhoods that are less expensive. It makes sense to move away from a target approach to a needs assessment approach. To require some percentage of all new housing in the downtown to be affordable to those at 80 percent of median income may require every bit of direct assistance the city could provide. Mr. Sullivan pointed out that the need under the needs assessment approach is going to be twice as big as under the target approach for cities like Bellevue. That is because the calculations will involve the entire population, not just the growth population. The city's existing affordability is not close to the ratio of need. Cities build parks and infrastructure, but they do not build housing; they only set the rules and then often supplement some portion of the cost. Market conditions are often beyond the control of local jurisdictions, each of which face different issues. Bellevue's policies should allow for the addressing of need based on conditions in Bellevue.

Commissioner Laing suggested that a very large percentage of the residents of King County are cost burdened under the way the term is used in the housing analyses. If that is true and that is how the need is to be defined, then clearly twice or even more affordable housing is needed.

Chair Tebelius ~~expressed concern about~~~~her argument with the information was that it is~~ focused focusing on East King County, not Bellevue specifically. Each Eastside jurisdiction has different issues, yet the data lumps everyone in together. Mr. Sullivan pointed out that the appendix lists the data from each city individually. East King County as a market area is defined as the area from Newcastle north and does not include Renton. A section will be added to the report outlining how Bellevue differs from some of the averages. In Bellevue, 16 percent of all households have incomes that are between 50 to 80 percent of the area median income.

Chair Tebelius commented that many seniors who are retired have affordable housing by virtue of the fact that they have been living in their houses for a long time. If their incomes were to be lumped in with everyone who is out seeking employment, the numbers would be skewed. And if their housing were to be added to the mix, the housing numbers would be skewed. The income levels of Bellevue residents are very high and largely driven by the tech industry, so the question is what does affordable housing mean for someone who makes \$150,000 per year, versus someone retired and living on Social Security but who owns their home outright, ~~and are doing just fine.~~

Mr. Sullivan said the report does not make an attempt to lump Bellevue in with everyone else, but it does make the point that Bellevue is part of a larger market area. Chart F1 lists the average incomes for Bellevue residents, which clearly are higher than the countywide average of \$70,000 per household. Chart J2 outlines the average incomes for Bellevue's workforce, which is also higher than the countywide average but not to the same degree that Bellevue household incomes are higher than the countywide average. Bellevue's workforce income figures are lower, however, than the average of the other Eastside cities workforce incomes. Bellevue has a very high percentage of retail employment than the countywide average. Bellevue along with Redmond, Kirkland and Issaquah used to have very little employment, but that picture has changed over the last 20 years or more to where each jurisdiction is now generating a lot more demand for housing from the workforce. When the East King County numbers are added together, the demand for housing from the workforce exceeds the supply. Cities that are coming up short in providing housing for the workforce need strategies that look different from cities that have a lot of existing affordability but which have cost-burdened residents or housing stock that is in poor condition.

Commissioner Ferris pointed out that the state does not differentiate very much based on location. A public school teacher in Spokane earns just above the area median average income, but the same school teacher in Bellevue earns less than 80 percent of area median income. He said he is working with Children's Hospital to develop a project for their Laurelhurst campus. They put \$6 million toward the construction costs so the units will be affordable to their nurse practitioners and lab techs can afford them. They required the developer to have 20 percent of the units available at affordable rents for 20 years, and their employees get first choice on the affordable units.

Commissioner Laing voiced concern with taking the Comprehensive Plan in the direction of an expressed or implicit assumption that everyone wants to, or should, or worse has to live within 50 yards of a transit stop that will in turn take them to within 50 yards of their job. Most who live in Bellevue have made the choice to live in the city. Others may work in the city but choose not to live there. Housing need is clearly a regional issue. Preservation should be given a high priority because of how expensive it is to build new housing, especially affordable housing. If 12 percent of Bellevue's households have collective incomes that put them in the sub-50 percent

of area median income category, in a perfect world at least 12 percent of the city's housing stock would be affordable to those households, but even that may not get to the real need. The current Housing Element says affordable housing units are to be dispersed across the city, but it does not say that within each area a certain percentage of the units must be affordable to those at 50 percent of the area median average income and another percentage to those at 80 percent of the area median average income. The question is how prescriptive the policy should be.

Commissioner Hilhorst pointed out that efforts and dollars could be put into building housing that is affordable at various income levels, but the units may not be occupied by the target audience because the units are not of the desired type. Cheaper is not always better. Households with families may choose to live well outside the city in order to have a single family home with a yard for the kids to play in.

Commissioner Ferris said that is absolutely right. There is no one thing that will prove to be the solution to the affordable housing issue. The market with a little bit of help in terms of incentives from the city could produce more small units in the downtown. All the Commission can do is draft policies that will address the need for affordable housing, but in the end incentives alone will not yield units in sufficient numbers to meet the identified need.

Mr. Sullivan said housing planning is all about profiling every household in the community relative to things like income and demographics, and then determining if the existing housing supply is a match. City policies should be written to allow the market produce as much of the need as possible. Accessory dwelling units are part of the answer. Downtown FAR is part of the answer. Allowing for micro units is part of the answer. More direct tools must be used to fill the gap and provide units that the market cannot provide.

Mr. Inghram stated that regionally everyone doing housing planning over the last 10 or 15 years focused on figuring out every different element of their demographic makeup and then figuring out how to match the housing with the identified need. That approach is what led to the development of housing targets. The emphasis is turning to the tools that are right for each individual community.

Ms. Lewine said a recent newspaper article highlighted the fact that Eastside luxury homes are being bought up by people who may not even live in them. Another article talked about including housing in urban shopping centers and how doing so is key to their redevelopment.

Answering a question asked by Chair Tebelius, Mr. Sullivan said half of the senior population is now over 75 and half is between 65 and 75. In years past the split was closer to one-third/two-thirds. Seniors over 75 are more likely to need specialized housing, but most seniors can actually age in place. The big unknown is how many of the over 75 seniors will choose to move out of what they are in now in favor of something more specialized. In the late 80s California's market assumed the seniors would move but in fact they did not.

Commissioner Hilhorst commented that because the population consists of a higher percentage of seniors, in years to come there will be a lot more houses on the market. Mr. Sullivan said it is a good bet that employment growth over the next 20 to 30 years will continue to outpace housing growth.

Commissioner Ferris said one of the disadvantages of aging in place is that seniors can become increasingly isolated. They may have difficulty getting to the store to do their grocery shopping

and the like, particularly in neighborhoods that are not necessarily walkable. The average age of a person who moves into an assisted living facility is 85. Ms. Lewine said the vast majority of seniors are not living in housing with services; they are living in their own homes. At 85-plus there is an uptick of moving into facilities with services, but even then it is only 17 percent.

Mr. Sullivan said the point is that there are different ways to address the issue. For example, the city of Redmond is in the process of donating a piece of land in their downtown for senior housing. The developer has indicated a desire to include a PACE center on the ground floor, which offers medical and other services to all Medicaid-eligible residents of the building and the surrounding neighborhood. If the project gets built, residents will have less of a need for assisted living.

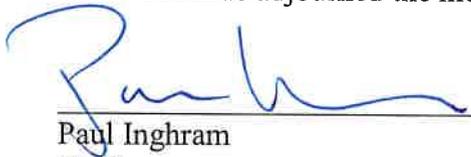
Ms. Lewine noted that as the work to update the Housing Element continues the Human Services Commission will be providing the Commission with updates regarding changes in the ethnic and minority populations and how that might impact the overall housing need. Overall community health also impacts the work of planning for housing.

Ms. Lewine pointed out the need to make changes to the Housing Element to reflect completed work program items, including the neighborhood compatibility work and the adopted Housing Trust Fund priorities, and to weed out any repetitious policies and clarify policies for consistency.

9. OTHER BUSINESS - None
10. PUBLIC COMMENT - None
11. NEXT PLANNING COMMISSION MEETING
 - A. July 24, 2013
12. ADJOURN

A motion to adjourn the meeting was made by Commissioner Laing. The motion was seconded by Commissioner Hilhorst and it carried unanimously.

Chair Tebelius adjourned the meeting at 9:55 p.m.



Paul Inghram
Staff to the Planning Commission

1/22/2014
Date



Diane Tebelius
Chair of the Planning Commission

1/22/2014
Date

* Approved and corrected December 11, 2013