

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
BELLEVUE HUMAN SERVICES COMMISSION
JOINT STUDY SESSION MINUTES

March 13, 2013
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-112

PLANNING COMMISSIONERS PRESENT:

Chairman Carlson, Commissioners Ferris, Hamlin, Laing,
Sheffels, Turner

PLANNING COMMISSIONERS ABSENT:

Commissioner Tebelius

HUMAN SERVICES COMMISSIONERS PRESENT:

Chairperson Yantis, Commissioners Bruels, Beighle,
McEachran, Perelman, Plaskon

HUMAN SERVICES COMMISSIONERS ABSENT:

Commissioner Stout

STAFF PRESENT:

Paul Inghram, Department of Planning and Community
Development; Emily Leslie, Alex O'Reilly, Department of
Parks and Community Services; Arthur Sullivan, Michael
Stanger, ARCH

GUEST SPEAKERS:

None

RECORDING SECRETARY:

Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:37 p.m. by Chairman Carlson who presided.

2. ROLL CALL

Upon the call of the roll, all Planning Commissioners were present with the exception of Commissioner Tebelius who was excused. All Human Services Commissioners were present with the exception of Commissioner Stout who also was excused.

3. PUBLIC COMMENT

Diana Thompson, 3115 103rd Avenue NE, spoke as a former member of the Human Services Commission and a current member of the Bellevue Network on Aging. With regard to the Housing Element of the Comprehensive Plan, she suggested that the section on special needs housing needs to be broadened. The current language is focused on the location of housing for persons with special needs, but there is no discussion at all about how units are designed. The section also talks about people who need assistance with their daily activities; the language should be expanded to include persons who are disabled but can be self-sufficient if they have housing units that have certain adaptations along the lines of universal design. Universal design principles should apply to all multifamily housing units and to a certain extent to single family

housing residences as well. Universal design is a concept referring to the design and construction of buildings that are inherently accessible to people who have disabilities and those who do not. Buildings within the city, including public buildings, should be accessible for persons with hearing loss; that is not the case in Bellevue presently. The data shows that 30 percent of adults aged 65 to 74 years have hearing loss, and 47 percent of adults aged 75 years and more have hearing loss. The state's population is aging and by 2030 fully 20 percent will be 65 or older. The Network on Aging has a great interest in the topic of affordable housing, though it has yet to take a formal position. The issue is whether or not the city should mandate affordable housing in all new multifamily housing, or if incentives should be offered to builders that will make them want to include them.

Kelly Rider, policy director for the Housing Development Consortium of King County, 1402 Third Avenue, Suite 1230, Seattle, said the non-profit membership organization represents more than 100 private businesses, non-profit agencies and public partners, all of whom are working to develop affordable housing and to affirm that all persons should have a safe, healthy and affordable home. All people, regardless of their income, deserve the opportunity to thrive in a safe neighborhood with good jobs, quality schools, strong access to transit, and plenty of parks and open space for a healthy lifestyle. The organization appreciates the work of Bellevue toward achieving the vision by allocating to the ARCH housing trust fund and by including development incentives. The Comprehensive Plan update process provides an opportunity to explore how to truly achieve a more equitable, inclusive and affordable Bellevue. Homelessness is real in east King County; the 2013 One Night Count identified 197 unsheltered individuals on the Eastside, which represented a 42 percent increase over the 2012 count. The Eastside has taken several big steps forward in addressing the needs of the homeless, more needs to be done. The city should continue to partner with homeless housing and service providers to improve opportunities and to educate the public. One of the best ways to prevent and address homelessness is to ensure the availability of quality and permanently affordable homes. The primary cause of homelessness on the Eastside is a lack of affordable housing; according to the federal Department of Housing and Urban Development, approximately 7300 households in Bellevue are paying more than half of their incomes for their housing costs, placing them at great risk. The city should consider implementing a wide range of development incentives in order to have a diversity of affordable housing options. Properly designed incentives require very little investment on the part of the public; incentives such as density bonuses, parking reductions, fee waivers, permit expediting and multifamily tax exemptions have all been proven to stimulate more affordable homes in mixed income settings. Development incentives will be particularly important when moving forward with the downtown livability initiative where 84 percent of the city's capacity for new housing units is located. The private sector cannot be expected to meet the housing needs of the Eastside's lowest income residents, particularly those earning less than 30 percent of the area median income. Strong public subsidies are necessary to reach that economic segment. The ARCH housing trust fund is a critical component and since its inception it has contributed to the creation of more than 2500 affordable homes across the Eastside, leveraging nine dollars of external funding for every dollar of ARCH funding. With the funding, Housing Development Consortium members like Imagine Housing, Hopelink and the YWCA are doing great work to bring new affordable units online. Still, in the 2012 budget survey, Bellevue residents were least satisfied with the city's ability to promote affordable housing for its residents. Since the adoption of the current Comprehensive Plan, ARCH funding has remained flat while the needs have increased, and the city's operation budget, its population and the cost of housing have all increased. The city should commit to partnering with the ARCH partner cities to implement a dedicated revenue source that will increase the allocation of public funding to the ARCH housing trust fund. According to the newly ratified Countywide Planning Policies, 24 percent of Bellevue's housing stock should be affordable for people earning less than 50 percent of the area median income; currently, less than ten percent of Bellevue homes fit that category. The

Housing Development Consortium looks forward to working with the city in the work to update the Comprehensive Plan.

Mr. Norman Hanson, 3851 136th Avenue NE, said the Bridle Trails area where he lives has always been interested in the city's Comprehensive Plan. The neighborhood has in fact organized a committee to work with the city in reviewing the vision for the Bridle Trails neighborhood and other neighborhoods in the city. Bridle Trails has 2000 single family homes and 3000 multifamily units along with trees and open space. Anyone wanting to get better acquainted with the neighborhood has only to ask for a quick tour. The Bel-Red corridor is borders the neighborhood, and the redevelopment planned there is something of a concern given the adverse impacts that could result.

4. APPROVAL OF AGENDA

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

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

Steven Kasner, 1015 145th Place SE, said his first home in Bellevue was in the Sammamish View Apartments, which are tucked into the hillside where the tunnel goes under I-90 in Eastgate. Currently, 58 percent of Bellevue's living units are owned and 42 percent are rentals. There data, however, regarding the number of vacant units is sketchy. Not too long ago 35 percent of the units in the downtown were vacant, though they were not obvious because they are in highrise structures and they carry million-dollar price tags. In East Bellevue the vacant homes are obvious, and there are over 400 of them currently. The issue is not always affordability, and an effort needs to be made to get people of all income levels into the housing stock that already exists. There are 181 children enrolled in the Bellevue School District who are considered homeless, and 14 of them are in the Lake Hills school. That is just wrong when five to ten percent of the city's housing stock is just sitting empty. It will be necessary to look outside the box to create the city the residents want for the next 20 to 30 years, and everyone should get involved. The East Bellevue Community Council looks forward to working with the city in updating the Comprehensive Plan.

Commissioner Turner asked what the drivers are for the vacancy rate in Bellevue and if there are different factors in Bellevue than those facing other communities. Mr. Kasner said he is not a real estate expert. He said in the case of the vacant home next to him, the elderly owners moved to an assisted living facility, and the owner's son does not want to take a chance on renters or sell while the housing market is down. The home is well maintained but has been empty for nearly six years. Some institutions own housing units for development that is two to five years out; it would seem like those units could be used for transitional housing in the meantime. Affordable housing seems to carry with it a certain stigma, though more often than not the units cannot be told apart from market rate units. In the downtown it is the market that is driving the vacancy rate, but that may not be true outside of the downtown.

6. STAFF REPORTS - None

7. STUDY SESSION

A. Existing Housing and Human Services Elements GMA and Comprehensive Plan Framework

Comprehensive Planning Manager Paul Inghram briefly explained that the Comprehensive Plan is the city's 20-year plan looking out into and planning for the future. The current plan was last updated eight years ago and has a horizon year of 2025. The work to update the plan will extend the planning horizon to 2035 and will include a reassessment of the city's needs relative to land use, housing, transportation, human services and other areas. The goals and policies will all be reviewed to make sure they are relevant and still right for the vision of the city. To the extent possible, the Comprehensive Plan should be relevant to the community, to the staff and to the decision makers, and it should be easily accessible and usable.

Continuing, Mr. Inghram said some big changes have occurred over the past few years, and the Countywide Planning Policies fit into that category. The Countywide Planning Policies are the produce of all of the cities and King County working together, and they provide some umbrella guidance to all comprehensive plans. The policies previously included a lot of discussion regarding housing and affordable housing targets, but there has been a move away from targets given that they are hard to achieve, and because of a desire to recognize the work being done by cities like Bellevue. Instead of targets, the document highlights the countywide need for affordable housing within several income categories and emphasizes policies and strategies by each city to meet the overall need. A four-step process is now outlined in the Countywide Planning Policies: 1) conduct an inventory an analysis of housing needs and conditions; 2) implement policies and strategies to address unmet needs; 3) measure results; and 4) respond to the measurement results by reassessing and adjusting the strategies.

Overall, the Comprehensive Plan in its current form still works relatively well. The Housing Element covers the bases it needs to legally, and addresses most issues that have been raised by the community. It contains some statistical and out-of-date information, and the change brought on by the Countywide Planning Policies needs to be addressed.

Human Services Manager Emily Leslie said the Human Services Element has some of the same issues. There is demographic and census data that needs to be updated, and the increase in the aging population needs to be called out. The individual policies are in need of being reviewed to make sure they are still relevant, and where they are not some tweaks are in order. One thing the Human Services Commission has recognized is the need to emphasize the regional nature of services, particularly in housing the homeless, and in social justice and empowerment issues. The Commission has also identified a need to add language to allow the city to address current and emerging needs. The current Human Services Element calls out some specific service areas, and the Commission believes some adjustments are needed. The Human Services Commission will be reviewing the Housing Element as well from the perspective of the populations served.

Commissioner Laing highlighted the need to know what, if any, cost does comprehensive planning have, and generally what role regulations in any form play in driving up housing costs. Mr. Inghram said over the course of the study those issues will all be part of the discussion.

B. East King County and Bellevue Housing Analysis

ARCH Program Manager Arthur Sullivan said the Housing Element is required under the Growth Management Act. Also required is a housing needs assessment which the ARCH cities are producing jointly. When ARCH was formed it was determined that housing needs are not defined by city boundaries, and it has been found that there are great similarities in the identified needs among the member cities.

Affordable housing is defined in terms of very low, low and moderate-income levels. The very low-income range is between \$18,000 and \$26,000 depending on household size. An annual

income of \$20,000 equates to an wage of about \$10 per hour. The low-income range is between \$30,000 to \$43,000, and moderate-income is between \$48,000 to \$69,000. A very low-income household can afford housing in the range of \$455 to \$650 per month where a third of the income is used for housing expenses. Using that same formula, low-income households can afford housing ranging between \$750 and \$1000 per month.

Bellevue has gone from being a bedroom community to being a job-center community. The Commissioners were shown a chart that indicated a 1.0 ratio of jobs to housing means enough housing to house the entire workforce based on the average number of workers per household. Ratios of less than 1.0 means there is excess housing, and ratios above 1.0 means there is a shortage of housing. Collectively, the Eastside cities have a ratio in excess of a 1.0 ratio, and based on projections the ratio is expected to increase into the future.

Commissioner Ferris pointed out that Bellevue is the fifth largest city in the state and questioned why Bellevue's numbers always have to be lumped together with the rest of east King County. The city has no say over the zoning and density policies of any other city on the Eastside, and the Commissions should be shown data specific to Bellevue relative to job and housing unit growth. Mr. Sullivan said there are some market areas where all of the right-across-the-border cities have a lot of extra housing, and that information may influence what Bellevue decides to do. For many years Seattle was job centric and relied on its neighboring jurisdictions to provide the needed housing; that model has changed, however, and job-centric Bellevue cannot afford to look at itself with those eyes either, primarily because its neighbors are also becoming job-centric. He added that in the needs assessment the data will be broken down by individual jurisdiction.

Bellevue has a lot of employment, and that is a good thing. However, much of the employment pays salaries that fall into the very low-income and low-income categories. Many jobs that are critical elements of the workforce are in that salary range. Bellevue's median incomes may be higher, but there is a difference between who works in a city and who lives in that city. When broken down, it is clear that the salaries paid in Bellevue are not significantly different from any other area of King County.

Mr. Sullivan said in Issaquah a survey of the business community was recently completed. One of the topic issues raised by employers was housing affordability as a primary factor in recruiting and retaining employees. Clearly there is an economic link between employment and housing. There is a demand for housing that matches the diversity and affordability that matches the workforce in each community.

Commissioner Laing asked if there is a policy goal to achieve the 1.0 ratio either in all communities or at least within a circle drawn around the major employment centers measured in miles or commute time. Elaborating on his question, he asked how it can be known when an actual imbalance exists. Mr. Inghram explained that the Growth Management Act does not drive a jobs/housing balance, but it does drive planning for land use, transportation and housing. In looking at all three of those, the expected future growth and the associated implications are drawn. The state Office of Finance and Management issues its growth forecast for the entire county, and the cities and the county work together to allocate the population to the individual jurisdictions. So on the one hand there is the economic theory that getting to a ratio of 1.0 means the supply and demand equation is balanced. However, from a targeting standpoint Bellevue has a 2031 target that anticipates more employment growth than housing growth. The official Growth Management Act requirement is to work toward that target. Getting to a ratio of 1.0 means people do not have to travel as much and it reduces overall transportation costs and potentially results in more uniform regional housing prices. It will be up to the Commissions

and the Council to recommend and make the policy decisions about how much emphasis should be on jobs and how much should be on housing development.

Mr. Sullivan said the city of Redmond has adopted a policy that allows no net decrease in housing capacity. Under the policy, any increase in employment capacity requires a matching increase in housing capacity.

Mr. Inghram added that Bellevue has put a lot of focus on making the downtown a 24/7 environment. If there are just office buildings, after hours everyone goes home and the downtown is left essentially empty and a security issue. The right mix of housing and employment is, however, not easy to pinpoint.

Mr. Sullivan said in looking at the data effort was put into determining what portion of the local workforce lives in the market area. Seventy-percent of the workforce in Seattle lives in Seattle, but only 50 percent of the workforce in east King County lives in east King County.

Commissioner Ferris pointed out that the planning horizon for the Comprehensive Plan is going to be 2040, and just because things are the way they are currently does not mean they will be the same by then. No new land is being made, and it is unlikely the city will rezone its single family neighborhoods to become multifamily even if such an act would reduce regulation and increase housing affordability. That means the housing capacity exists in the multifamily zones and in the downtown, which are the more expensive places to build. That is different from the way things have been in the past. Mr. Sullivan allowed that the data supports that notion.

Mr. Sullivan said the data indicates there has been an increase in the number of very low-income and low-income persons within the overall population. Currently about 12 percent of all King County residents fit into those categories, in east King County between eight and nine percent of the residents are in those categories.

Mike Stanger with ARCH said the east King County jurisdictions are stabilizing and maturing in terms becoming more like the surrounding Eastside jurisdictions and King County. The 2000 and 2010 census data indicated that 28 percent of Bellevue residents lived alone. Additionally, 31 percent were married without children in 2000, and in 2010 that figure was 30 percent. Twenty-two percent were married with children in 2000, and 23 percent were married with children in 2010. For King County as a whole, 31 percent lived alone, 25 percent were married without children, and 20 percent were married with children, according to the 2010 census data. Collectively in Bellevue, the number of one- and two-person households total 67 percent of the total population.

Chairman Carlson suggested the last figure cited is not so surprising when young couples are combined with older couples whose kids have moved out. He said when he first moved into the neighborhood he now lives in about 80 percent of the homes had one or two people. That has changed now that the neighborhood is undergoing a resurgence of young families. Mr. Sullivan said the pie charts from 20 years ago showed big changes decade by decade, but in just the last ten to fifteen years the neighborhoods seem to have reached the point of stabilization. The number of single-parent households with children is fairly low at five percent, but the number of married with children households makes up less than a quarter of all households in Bellevue.

Mr. Stanger said the high proportion of one- and two-person households may support non-traditional forms of housing as a way to increase housing diversity and affordability. Non-traditional housing includes accessory dwelling units, multiplexes and cottages, as well as other innovative forms of housing especially near transit.

The Commissioners were shown a chart indicating the age distribution for Eastside cities according to the 1990 and 2000 census data, and the 2009 American Community Survey (ACS) data. He noted that the baby boomers are in the 55 to 64 age group and pointed out that the proportion of seniors over the age of 65 in east King County is greater than the countywide proportion, and that about half of all seniors are over the age of 75. The proportion of seniors in the population has not changed significantly over the past decade, though their numbers are expected to increase over the next 10 to 20 years. Seniors have different housing needs than young people have, especially the older seniors. For seniors who rent, a relatively high proportion have low incomes and as such are cost burdened when it comes to housing.

Commissioner Perelman asked if the data shows how many of those over the age of 75 live on their own and how many have moved in with their children. Mr. Sullivan said he did not have that data with him but would be happy to retrieve it.

Answering a question asked by Commissioner Sheffels, Mr. Stanger said it cannot be said with any degree of certainty how many within the growing senior population will want to age in place, how many will want to downsize, and how many will want to live in a dedicated senior community.

Mr. Stanger noted that the number of Bellevue persons representing themselves to be white only as part of the 2000 census was 74 percent; that figure dropped to 59 percent in the 2010 census. The number of foreign-born residents of Bellevue in 2000 was below 25 percent, but by the 2009 ACS that figure had climbed to over 30 percent, with the greatest increase tied to the Asian population. Bellevue's foreign-born population as a percentage is greater than the collective east King County cities and King County as a whole.

Commissioner Sheffels said it would be helpful to know how the different cultures relate to their seniors and how that affects their housing choices. Mr. Sullivan reminded the Commissioners that most housing that gets created is done by the private sector, which responds to all kinds of market issues and conditions. Some developers understand the cultural elements and design their housing units accordingly. Shifts in aging and culture are important to track, in part so that jurisdictions can set up the rules and regulations that will allow the private sector to respond to shifts as they occur.

Mr. Stanger added that ethnic diversity certainly impacts human service programs, especially when it comes to linguistically challenged households.

Mr. Stanger said the most recent profile regarding homelessness indicates that 17 percent of all single homeless adults are from the Eastside. In January 2007, of the households living in emergency shelter or transitional housing, 223 reported that their last address was in east King County. The Ten-Year Plan to End Homelessness sets some very specific goals with respect to the number of units needed to address the problem, and steady progress has been made since the plan was instituted in 2005. A number of non-profit organizations are working together to address the needs through a variety of programs.

Mr. Stanger said cost-burdened households are defined as households paying more than 30 percent of their gross incomes for housing. He noted that a large portion of very-low and low-income households are cost burdened, and the largest segments of cost-burdened households are younger and older renters.

Commissioner Laing noted that the median income for a family of four is \$86,700. For a family

of four making 80 percent of the median income, the 30 percent affordability index translates into a home costing \$258,000. He suggested that almost everyone in King County is a cost-burdened household based on the 30 percent income threshold. Mr. Inghram agreed that to some extent that is in fact the case. However, for those who have lived in the city for a long time and who purchased their homes when prices were far lower than they are now probably are paying far less than 30 percent of their incomes for housing.

Mr. Stanger pointed out that between 2000 and 2009, the number of cost-burdened renters in Bellevue stayed about the same, while the number of cost-burdened homeowners rose. For east King County very few households earning less than \$10,000 per year pay less than 20 percent of their gross incomes for housing, while the exact opposite is true of households earning more than \$100,000 per year. Over time that breakdown has not changed significantly. There is a very good chance that households earning between 50 and 80 percent of the area median income are allocating more than 35 percent of their incomes for housing. When broken down by age of the householder, those who are cost-burdened are primarily the youngest and the oldest.

Commissioner Laing said it would be interesting to see what would happen to the numbers when the exercise was controlled by the student population. Commissioner Ferris said it has been his experience that students are pulled from the statistical analysis on the understanding that students are poor by choice. Commissioner Perelman pointed out that there likely are not many college students in Bellevue who are not living at home.

Turning to the issue of housing supply, Mr. Sullivan noted that in general rents are affordable to moderate-income households. A much lower proportion of the rentals in east King County are affordable to lower-income households, however. Rents in east King County have closely tracked income levels since 1999. Ownership pricing, however, has gone up far faster than incomes. Even so, the rental housing supply in Bellevue is less affordable than in other parts of King County.

Mr. Sullivan pointed out that there are several types of housing that are specifically targeted to seniors, in particular adult family homes and nursing homes, in addition to market-rate senior housing and assisted living facilities. HUD subsidizes some housing for seniors, and other forms of subsidies are available as well. Charts indicating the number of units per east King County city was shown to the Commissioners. It was noted that many of the senior units were constructed in the last 15 to 20 years.

Mr. Sullivan said every city has specific housing goals. The Eastside cities have collectively been meeting the 2001-2011 housing targets, and in fact many are exceeding them. Home ownership rates have stayed the same or increased, and over the past 20 years condominiums have been an increasing portion of ownership housing. All Eastside cities have the capacity to achieve their 2022 housing targets provided the mixed use zones are factored in.

Commissioner Ferris noted that the Commissioners had not been given information regarding the housing goals and targets. Mr. Sullivan said every city has explicit housing numbers that came out of the update to the Countywide Planning Policies. He said the numbers specific to Bellevue will be reviewed in time as part of the Comprehensive Plan update.

Mr. Inghram pointed out that in the existing Housing Element there is a chart that indicates how many housing units existed in 2000, the target, and the excess capacity. He said the chart will be updated with new numbers as the process moves forward.

The Commissioners were shown a chart indicating the housing capacity as a percent of the 2001-

2022 housing targets, with the number of net new units created through 2005 and the single family, multifamily and mixed use capacity as of 2006. It was clear that over 50 percent of the total housing capacity in east King County is in mixed use zones, and 80 percent of the attached housing capacity is in mixed use zones. Mr. Sullivan said that has all kinds of implications, particularly in how the assumed balance between office and employment could be overturned should the mixed use zones be rezoned to office or some other non-residential use. It is more expensive per square foot to construct housing units in mixed use zones, and if a significant portion of future housing growth is anticipated to occur in mixed use zones, cities may need to be more proactive in developing strategies to increase a range of types and affordability.

Mr. Inghram allowed that in past years much of the mixed use housing has been created in the downtown, but in the future the expectation is that there will be a wider variety of mixed use. Recently some focus has been given to the Newport Hills area and the potential for mixed use developments there, which would probably be three or four stories, mostly wood-frame construction, and lower price levels. Commissioner Hamlin commented that mixed use housing is also anticipated in Eastgate and Bel-Red.

Commissioner Laing commented that since growth management came in, the buzz words have been live/work/play. Everything has to be mixed use, transit-oriented, compact and walkable. It comes as no surprise that the areas of greatest capacity are the mixed use zones. If in fact the development of housing in those zones is more expensive, then the city has much to overcome before affordable housing can even be created. The approach raises questions about whether the mixed use form is actually sustainable and equitable. Mr. Sullivan responded by saying that housing in mixed use zones is not more expensive to construct than single family homes, but other factors to take into account include transportation costs.

Commissioner Ferris said the Planning Commission has not in the past been updated with regard to the human needs from a housing perspective. He said it would be good to know, for instance, if seniors have the same number of cars a household with children has, if seniors generally have different housing needs, and if ethnic populations have different housing needs, such as larger units to accommodate larger households.

Mr. Sullivan said the Eastside cities have cumulatively managed to almost meet the combined moderate-income goal using a variety of approaches. Much of the new housing in the downtown was affordable at 80 percent of median because they were small rental units. However, just under a third of the long-term low-income goals have been met, and in nearly every case the units brought online have needed direct assistance.

The creation of affordable units is tracked using three mechanisms: direct assistance, land use incentives, and market surveys. The data makes it obvious that bringing low-income and very low-income units online is challenging and always requires assistance. At the moderate-income level, however, different approaches have been used and the market itself and land use incentives, particularly those having to do with accessory dwelling units, have helped produce units. Some of the units created were market-rate units that have been preserved as affordable housing through funding assistance.

Commissioner Ferris asked if affordable units demolished and redeveloped as market-rate units are tracked. Mr. Sullivan said there is some level of information on that category but it is not tracked very well. When units that are relatively affordable are torn down, there is an overall loss and that is a concern. Commissioner Laing said that is exactly what happened in the Northgate area of Seattle on the north side of Northgate Way from the freeway to where Target is located. The units torn down were all relatively affordable. New mixed use and even new

multifamily developments rarely include three-bedroom units, and generally only a paucity of two-bedroom units. The current trend is to construct studio apartments, which can hardly be called family units.

Answering a question asked by Commissioner Hamlin, Mr. Sullivan said some of the direct assistance comes in the form of Section 8 housing. One of the top priorities of ARCH and its membership cities is to preserve existing Section 8 properties from being flipped to market-rate units. To date some 600 units have been preserved.

Mr. Sullivan said mixed use residential neighborhoods, primarily in the downtown and Bel-Red, hold over 80 percent of the city's housing capacity. They can address a range of needs in terms of diversity and affordability, and they can potentially take the redevelopment pressure off of existing relatively affordable housing in areas such as Crossroads. One good thing is that there is a lot of housing in Crossroads that is owned by the housing authority that by all appearances is market-rate housing.

The more traditional residential neighborhoods also present opportunities for affordable housing by creating opportunities for more diverse housing options, such as cottages, multiplexes, accessory dwelling units, all of which promote aging in place. In neighborhoods where older large homes are not being kept up, allowing for a diversity of housing types can preserve, revitalize and stabilize the communities.

The strategies and tools for creating affordable housing include direct local support in the form of direct funding and/or land donation and fee waivers; direct support by other public or private entities; incentives; and regulations to encourage housing diversity. The list of methods used in other communities for increasing diversity includes eliminating the units-per-acre zoning approach, replacing it with floor-area ratio limits; allowing cluster subdivisions, lot size averaging, multiplexes or cottages; allowing duplexes in single family neighborhoods; and allowing for small SRO or mini-suites.

Commissioner Laing commented that the cost of land is a major factor, and the more units allowed the more the cost can be spread out. Commissioner Ferris stated that for multifamily construction the land generally accounts for 15 to 20 percent of the total cost of the development. Allowing for greater density, however, increases the value of the land, so there is a need to somehow cap the land value before allowing the increased density.

Mr. Sullivan said that is one part of the dynamic, but another part is local regulations that allows the private market to meet the need without direct subsidies. There are two basic ways for jurisdictions to fill in the gaps. Incentives are generally voluntary and usually allow for increased developed capacity in exchange for providing affordability, but they can also involve multifamily property tax exemptions and impact fee waivers. The other way is direct support which can be accomplished through acquiring surplus land, other land donations, waiving or reducing impact or permit fees, and using general revenue and CDBG dollars to fund new or preserve existing affordable housing through the ARCH Housing Trust Fund. To date the fund has provided local assistance totaling \$39,180,000 which has been used to create or preserve 2834 units. The long-term goal is to put 56 percent of the funds into family housing, 19 percent into senior housing, 13 percent into homeless or transitional housing, and 12 percent into special needs housing.

Chairman Carlson passed the gavel to Commissioner Turner and left the meeting.

Commissioner Sheffels asked if cities are required to have halfway houses or to fund them in any

way. Mr. Sullivan said cities are not required to provide financing for any particular type of housing. ARCH's member cities have decided to meet a wide range of needs, including group homes for the homeless those with drug and alcohol dependency issues.

Answering a question asked by Commissioner Ferris, Mr. Inghram said by state law the Comprehensive Plan planning horizon must be at least 2035, but because the regional vision is for 2040 the update will probably address both years. Commissioner Ferris said he will be interested in knowing what the projected growth figures are for Bellevue specifically. From those figures will be possible to extrapolate the number of new housing units that will be needed, and based on demographic trends the number can be broken down into the number of units needed for each housing type, as well as for each income level. With all of that information in hand it should be possible to determine if the current tools are sufficient to meet the need or if more aggressive solutions will be needed.

Commissioner Plaskon thanked Mr. Sullivan and the staff for the information, and thanked the Planning Commissioners for their comments. He said the Human Services Commission rarely has the opportunity to review the 20- or 30-year forecasts; instead the focus is nearly always on the immediate needs. Bellevue and Eastside residents are in need of all sorts of services, but housing is the most important because once they have housing they can far more easily get connected to other services. If indeed there are a number of homes in the community that are sitting there vacant, the Commissions should investigate what it would take the get the homes back into service.

8. OTHER BUSINESS

Commissioner Sheffels called attention to the letter sent to the Planning Commission from Terry Lukens and two others regarding shoreline management. She asked staff to review the suggestion outlined in the letter and get back to the Commission with a response.

Commissioner Laing said it appears part of the problem highlighted in the letter involves what is called the cove rule. What is addressed is a private property and permitting issue rather than a regulatory issue. Mr. Inghram said he would ask staff to review the letter and provide a response to the Commission.

9. PUBLIC COMMENT

Steven Kasner, 1015 145th Place SE, urged the Commissions to keep in mind the silver tsunami, which is the doubling or tripling of the senior population that will occur over the next 20 years. He said what is built and how it is built will be of critical importance to seniors. He also informed the Commissioners that the Lake Hills Shopping Center mixed use development will include housing units. Each neighborhood knows what is best for it, and both Commissions need to find ways to know exactly what each neighborhood wants and needs.

10. APPROVAL OF MINUTES

A. February 13, 2013

Commissioner Hamlin offered some revisions to the minutes.

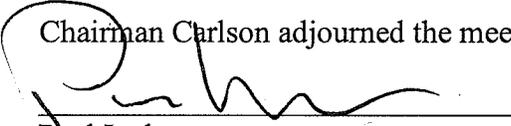
A motion to approve the minutes as amended was made by Commissioner Hamlin. The motion was seconded by Commissioner Laing and it carried without dissent; Commissioner Ferris abstained from voting.

11. NEXT PLANNING COMMISSION MEETING

A. March 27, 2013

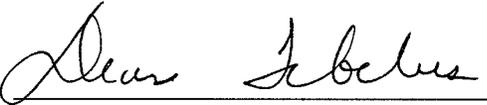
12. ADJOURN

Chairman Carlson adjourned the meeting at 9:32 p.m.



Paul Inghram
Staff to the Planning Commission

7-24-2013
Date



Diane Tebelius
Chair of the Planning Commission

7-24-13
Date

* Approved May 8, 2013