



# City of Bellevue

450 110th Avenue NE  
Bellevue, WA 98004

## Meeting Agenda - Final Planning Commission

---

Wednesday, July 26, 2017

6:30 PM

Room 1E-113

---

### 1. Call to Order

### 2. Roll Call

### 3. Approval of Agenda

### 4. Reports of City Council, Boards and Commissions

### 5. Staff Reports

- a) Quarterly Check-In Q2Y17
- b) Upcoming Planning Commission Meeting Schedule

### 6. Oral and Written Communications

- a) Written Communication

### 7. Public Hearing

### 8. Study Session

- a) Grand Connection Phase 1  
*{Staff will present an update on the Grand Connection followed by a question and answer period.}*
- b) Affordable Housing Strategy  
*{Staff will present an update on the Affordable Housing Strategy followed by a question and answer period.}*

### 9. Other Business

### 10. Approval of Minutes

- a) June 14, 2017

**11. Continued Oral Communications****12. Executive Session****13. Adjourn**

Unless there is a Public Hearing scheduled, Oral Communications is the only opportunity for public participation. Meetings are wheelchair accessible. American Sign Language (ASL) interpretation available on request. Please call at least 48 hours in advance: 425-452-5262 (TDD) or 425-452-4162 (Voice). Assistance for the hearing impaired: Dial 711 (TR). This room is equipped with a hearing loop system.



**DATE:** July 26, 2017

**TO:** Chair deVadoss and Planning Commission Members

**FROM:** Terry Cullen, AICP, Comprehensive Planning Manager, [tcullen@bellevuewa.gov](mailto:tcullen@bellevuewa.gov), 452-4070, *Planning & Community Development Department*

**SUBJECT:** Quarterly Check-in Q2Y17

**DIRECTION NEEDED FROM PLANNING COMMISSION**

- Action
- Discussion
- X** Information

The Planning Commission, City Council Liaison and City Staff conduct a quarterly check-in to discuss progress on current initiatives, future ones and other related matters. This is the quarterly check-in for the second quarter, April 1 to June 30, 2017. This agenda item is for information only and no action is required.

**BACKGROUND**

One of the outcomes of the Planning Commission annual retreat held on September 30, 2015 was the decision to hold a quarterly check-in to include the Planning Commission and City staff. Mayor John Stokes, Planning Commission Chair John deVadoss, Vice-Chair Stephanie Walter, and Comprehensive Planning Manager Terry Cullen met July 7, 2017 at City Hall to discuss items related to the quarterly check-in.

**BY THE NUMBERS**

The Planning Commission held five (5) meetings in the first quarter of 2017. (April 19 and 26, May 10 and 24, June 14). The regularly scheduled meeting for April 12 was canceled and re-scheduled for April 19 because of the School District’s spring break. An extra meeting scheduled for May 3 for the proposed downtown land use code amendments was canceled due to lack of quorum. The regularly scheduled meeting June 28 was canceled because the only business item was withdrawn (Bellevue Technology Center plan amendment). Business conducted in these meetings included: 5 (5) study sessions, and one (1) public hearing.

| <u>Agenda Item</u> | <u>Meeting Date</u> | <u>Subject</u>  | <u>Location</u> |
|--------------------|---------------------|---|-----------------|
| Study Session      | April 19            | Downtown Land Use Code Amendments                                     | City Hall       |
| Study Session (2)  | April 26            | Plan Amendment – Geographic Scoping Downtown Land Use Code Amendments | City Hall       |
| Study Session      | May 10              | Downtown Land Use Code Amendments                                     | City Hall       |
| Study Session      | May 24              | Downtown Land Use Code Amendments                                     | City Hall       |
| Public Hearing     | June 14             | Threshold Review – 2017 Comprehensive Plan Amendments                 | City Hall       |

The Planning Commission took action and approved proposed land use code amendments for the downtown on May 24. That recommendation has been sent to City Council

### **OTHER BUSINESS**

Planning Commission annual officer elections were originally scheduled for June 28. That meeting was canceled and the elections are scheduled for July 12.

### **LOOKING AHEAD**

- Items that are confirmed, or likely to be coming, for the Planning Commission in the third quarter of 2017 include:
  - Officer Elections (July)
  - By-Laws (July)
  - August summer break (no meetings)
  - Comprehensive Plan Amendments – Final Review – Study Session (September)

The next quarterly check-in is planned for the October 11, 2017 Planning Commission meeting.

# Upcoming Planning Commission Meeting Schedule

| <u>Mtg</u> | <u>Date</u>         | <u>Agenda Item Topic</u>                                | <u>Priority</u> | <u>Agenda Type</u>  | <u>Location</u> |
|------------|---------------------|---|-----------------|---|-----------------|
| 17-13      | July 26, 2017       | Grand Connection Phase 1 Framework                      | 3               | Commission receives an information only presentation.   | City Hall       |
|            |                     | Affordable Housing Strategy - Presentation              | 3               | Commission receives an information only presentation.   |                 |
|            |                     |   |                 |   |                 |
|            | <b>Summer Break</b> | <b>No meetings will be held in August.</b>              |                 |   |                 |
|            |                     |   |                 |   |                 |
| 17-14      | September 13, 2017  | Planning Commission By-Laws                             | 1               | The City is requiring standardized by-laws for its Boards and Commissions. This item was introduced at July 12, 2017 meeting. | City Hall       |
|            |                     | Planning Commission Guiding Principles                  | 3               | Commission begins developing their guiding principles. (post retreat 2016)  |                 |
|            |                     |   |                 |   |                 |
| 17-15      | September 27, 2017  | Comprehensive Plan Amendment Cycle Final Review         | 2               | Study Session to review all of the plan amendments together in the annual plan amendment work program.                        | City Hall       |
|            |                     |   |                 |   |                 |
| 17-16      | October 11, 2017    | TBD   |                 |   |                 |
|            |                     |   |                 |   |                 |
| 17-17      | October 25, 2017    | Comprehensive Plan Amendment Cycle Final Public Hearing | 1               | Public hearing  | City Hall       |
|            |                     | Comprehensive Plan Amendment Cycle Final Review         | 2               | Study Session to make recommendation to City Council regarding all the plan amendments in the annual work program.            | City Hall       |
|            |                     |   |                 |   |                 |
| 17-18      | November 8, 2017    | Comprehensive Plan Amendment Cycle Final Review         | 2               | Study Session to make recommendation to City Council regarding all the plan amendments in the annual work program.            | City Hall       |
|            |                     |   |                 |   |                 |
| 17-19      | November 15, 2017   | Annual Retreat (tentative)                              |                 |   | TBD             |
|            |                     |   |                 |   |                 |
| 17-20      | December 13, 2017   | TBD   |                 |   | City Hall       |

The Planning Commission will set public hearings, as needed, when the Commission approaches the conclusion of their deliberations.

# PLANNING COMMISSION DESK PACKET - CORRESPONDENCE



**July 26, 2017**

Planning Commission Meeting

## Cullen, Terry

---

**From:** Jeremy Barksdale <jeremybarksdale@gmail.com>  
**Sent:** Wednesday, July 19, 2017 7:37 AM  
**To:** 'Jeremy Barksdale'  
**Subject:** To create economic opportunities, cities must confront their past - and look to the future (Brookings)

(Sending as bcc to prevent replies)

[https://www.brookings.edu/blog/the-avenue/2017/07/17/to-create-economic-opportunities-cities-must-confront-their-past-and-look-to-the-future/?utm\\_campaign=Brookings%20Brief&utm\\_source=hs\\_email&utm\\_medium=email&utm\\_content=54379849](https://www.brookings.edu/blog/the-avenue/2017/07/17/to-create-economic-opportunities-cities-must-confront-their-past-and-look-to-the-future/?utm_campaign=Brookings%20Brief&utm_source=hs_email&utm_medium=email&utm_content=54379849)

Sincerely,  
Jeremy



DATE: July 18, 2017

TO: Chair deVadoss and Planning Commission Members

FROM: Bradley Calvert AICP, Community Development Program Manager 452-6930  
[bcalvert@bellevuewa.gov](mailto:bcalvert@bellevuewa.gov)

SUBJECT: Wilburton-Grand Connection Project Update and Draft Framework Plan

### **Summary**

The Wilburton-Grand Connection planning initiative combines two efforts; a re-visioning of the Wilburton Commercial Area as a new urban neighborhood in light of forthcoming infrastructure improvements, and establishing a new urban design and placemaking vision for the Grand Connection route between Meydenbauer Bay and the Eastside Rail Corridor. Tonight, staff will provide an update on the Grand Connection visioning process, including the release of the draft framework plan, as well as emerging concepts as part of the Wilburton Commercial Area Citizen Advisory Committee. The project has been defined as a Bellevue City Council Priority.

### **Background**

The Grand Connection is a Council priority initiative to establish a vision for a unique urban design and placemaking corridor that will connect Meydenbauer Bay, Downtown Bellevue, and the Wilburton Commercial Area. It is envisioned to serve as a signature element to Bellevue's urban landscape and will create opportunities for a new placemaking, art and culture, and connectivity.

The visioning process began in April of 2016 following the selection of Balmori Associates as the lead design consultant. The scope of the visioning process was divided into two sequences. Sequence One addresses the existing infrastructure between Meydenbauer Bay Park and the Civic Center District. This sequence included defining the route, the overall identity of the route, and cohesive design strategies that could be applied to the entire route, in addition to public space improvements and connectivity. Sequence Two addresses the Interstate 405 crossing of the Grand Connection, and its interface with the Wilburton Commercial Area and the Eastside Rail Corridor.

The *Grand Connection Framework Plan* represents the full body of work from Sequence One of the visioning process. The Plan includes design recommendations, programming considerations, and other improvements that fulfill the scope of work and the defining principles of the project. The Plan also includes background information and results from the public engagement process.

The Plan is divided into chapters that address the recommendations in distinct categories. These categories includes:

- Defining the route
- Defining the overall identity of the route
- Cohesive design strategies
- Summary of the art and cultural plan (an independent report is also available)



- Improvements to public spaces
- The Interstate 405 crossing
- Programming strategies
- Implementation and next steps

Each recommendation, is structured to provide background information, a description of the improvement, rationale, its relationship to art and culture recommendations, and design-related drawings and graphics. At the conclusion of each recommendation a series of next steps are detailed. These steps include design refinement, further evaluation and study, parallel recommendations, and opportunities to collaborate with other City initiatives and partners.

The information related to the Interstate 405 crossing provided in the plan is for information only. The Interstate 405 crossing will be evaluated as part of the SEPA process for the companion planning effort of the Wilburton Commercial Area, and will be detailed in a second volume to the framework plan.

The *Grand Connection Framework Plan* was released to the public on June 20<sup>th</sup>, and the *Grand Connection Art and Cultural Plan* was released on July 17<sup>th</sup>. The plan will be available for public review and comment until September 29<sup>th</sup>, 2017. Staff will collect and consider public comments during this period and factor comments, where appropriate, into the refinement of the plan, next steps, and future design refinements. Staff plans to return to Council following this comment period for feedback and ultimately adoption of the Sequence One plan.

### **Grand Connection I-405 Crossing Alternatives**

Sequence Two of the Grand Connection visioning establishes a connection across Interstate 405 between Downtown, the Wilburton Commercial Area, and the Eastside Rail Corridor. The crossing presents a unique opportunity to further improve the City's network of non-motorized connections, while serving as a catalyst for future change in the Wilburton Commercial Area. As part of the scope of work, the consultant was tasked with identifying and developing three alternatives to cross Interstate 405 while achieving the following goals

- A unique and signature design
- Opportunities for public space
- A safe and comfortable crossing for cyclists and pedestrians
- Interface with the Wilburton Commercial Area at 116<sup>th</sup> Avenue NE
- Interface with the Eastside Rail Corridor

Staff will provide an update on the Interstate 405 crossing alternatives that will be evaluated as part of the Wilburton Commercial Area SEPA analysis.

### **Recommendation/Action Requested**

This item is presented for your information only and it requires no action



DATE: July 26, 2017

TO: Chair deVadoss and Planning Commission Members

FROM: Terry Cullen, AICP, Planning Manager 452-4070  
[tcullen@bellevuewa.gov](mailto:tcullen@bellevuewa.gov)  
Michael Kattermann, AICP, Senior Planner 452-2042  
[mkattermann@bellevuewa.gov](mailto:mkattermann@bellevuewa.gov)  
Janet Lewine, AICP, Associate Planner 452-4884  
[jlewine@bellevuewa.gov](mailto:jlewine@bellevuewa.gov)

SUBJECT: Bellevue's Affordable Housing Strategy

One of the Council's adopted priorities is to "develop an affordable housing plan for the needs of our diverse population." The *Affordable Housing Strategy* (AHS – Attachment A) that was approved by Council on June 5, 2017, addresses the Council's priority to by identifying actions that can be taken to improve affordable housing opportunities throughout the city. The AHS represents a culmination of more than one year of research, analysis, review and input from the technical advisory group (TAG), stakeholders and the public.

## **BACKGROUND/ANALYSIS**

The AHS consists of five interrelated strategies and a set of actions for each that are designed to address key aspects of this complex issue:

- A. Help people stay in their affordable housing
- B. Create a variety of housing choices
- C. Create more affordable housing
- D. Unlock housing supply by making it easier to build
- E. Prioritize state, county and local funding for affordable housing.

In addition to a description of the five strategies and the related actions, the AHS report includes summaries of Bellevue's housing need, implementation of the strategy, existing programs, how the strategy was developed, and a program for monitoring the progress of implementation and performance. Implementation is expected to occur over the next two to three years and result in at least 2,500 more affordable housing units over the next ten years. The performance monitoring includes regular reports to Council and the ability to adjust the strategies as needed.

*The Affordable Housing Strategy is consistent with the Bellevue Comprehensive Plan, and more specifically:*

Comprehensive Plan Policy HO-24:

*Develop and implement an effective strategy to ensure affordable housing opportunities are available in Downtown and throughout the City at a range of affordability levels. Monitor*

*quantity, types, and affordability of housing achieved for potential unintended consequences and to determine if the need is being met.*

Economic Development Plan Strategy E.1:

*Develop a City-wide strategy to expand workforce housing options by exploring all manner of tools, including a multifamily tax exemption program, a revolving fund for transit-oriented development, zoning changes, and other options.*

Staff will provide an overview of the report with a focus on the strategies and actions and the implementation program.

**Requested Commission action tonight**

| Request  | Summary Guidance                        |
|--|---|
| 1. No action is required of the Planning Commission. | This item is presented for information. |

**Attachments**

A. *Affordable Housing Strategy*, June 5, 2017



# City of Bellevue Affordable Housing Strategy

Approved by City Council  
June 5, 2017



*This page intentionally left blank*

3545-RES  
6/2/2017

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 9274

A RESOLUTION approving the final report and recommendation for the Affordable Housing Strategy as revised and presented to the City Council on May 22, 2017.

WHEREAS, one of the Council's priorities in their Vision for a High Quality Built and Natural Environment is "Assess the unique housing needs of our city and region, and create an affordable housing strategic action plan by 2016 and implementation in 2017"; and

WHEREAS, Council initiated the affordable housing strategy project in December 2015 and Council received updates in March, July, September and December 2016, and in March, April and May 2017; and

WHEREAS, a Housing Needs Assessment, using updated data and information to describe the level and type of affordable housing needed in Bellevue, was presented to Council in March 2016; and

WHEREAS, the Housing Needs Assessment indicated that the cost of buying or renting a home in Bellevue is increasing at a rate that is outpacing the ability to pay for people that live or want to live in Bellevue, and that the need for affordable housing is especially critical for people earning less than 50% of area median income; and

WHEREAS, a Technical Advisory Group (TAG) of 15 people with expertise in different aspects of housing was appointed by the Mayor and confirmed by Council in April 2016 to provide guidance and assistance to staff and consultants in developing an affordable housing strategy; and

WHEREAS, the TAG met as a full group and in subgroups from May 2016 to April 2017; and

WHEREAS, staff initiated public outreach through a community education forum on affordable housing in June 2016 and continued with online open houses and surveys, listening posts, the project website, social media, city publications, presentations to groups, stakeholder meetings and concluded with a public workshop on the draft set of strategies in March 2017; and

WHEREAS, Council provided direction in April and May 2017 for staff to finalize the report and recommendations of the Affordable Housing Strategy; now, therefore,

3545-RES  
6/2/2017

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
RESOLVE AS FOLLOWS:

Section 1. The City Council approves the Affordable Housing Strategy as revised and presented to the City Council on May 22, 2017.

Passed by the City Council this 5<sup>th</sup> day of June, 2017,  
and signed in authentication of its passage this 5<sup>th</sup> day of June,  
2017.

(SEAL)



Attest:

  
\_\_\_\_\_  
John Stokes, Mayor

  
\_\_\_\_\_  
Kyle Stannert, City Clerk

# Acknowledgments

## City Council

John Stokes, Mayor  
John Chelminiak, Deputy Mayor  
Conrad Lee  
Jennifer Robertson  
Lynne Robinson  
Ernie Simas  
Kevin Wallace  
Vandana Slatter, former Councilmember

## City of Bellevue

Dan Stroh, Acting Director, Planning and  
Community Development Department  
Michael Kattermann, Senior Planner, Project  
Manager  
Terry Cullen, Comprehensive Planning Manager  
Janet Lewine, Associate Planner  
Deborah Munkberg, Senior Planner  
Emily Kish, Community Relations Coordinator  
Gwen Rousseau, Associate Planner  
Nicholas Matz, Senior Planner  
Emily Leslie, Human Services Manager  
Arthur Sullivan, ARCH Program Manager  
Mike Stanger, ARCH Housing Planner

## Consultant Team

National Development Council  
ECONorthwest  
Broadview Planning  
Latina Creative Agency  
Jaclyn Gault Design

## Technical Advisory Committee

Eric Campbell  
Hal Ferris  
Sibyl Glasby  
David Hoffman  
Katherine Jordan  
Jan Laskey  
Kim Loveall Price  
Sean Martin  
James McEachran  
Michael Orbino  
Andrea Sato  
Dwight Schrag  
Rich Wagner  
Tim Walter  
Chris Jowell, former member  
Sharon Cunnington, former member  
George Petrie, former member



April 7, 2017

## Dear Mayor Stokes and City Councilmembers:

As members of the Technical Advisory Group (TAG) for Bellevue's Affordable Housing Strategy, we would like to commend you for making affordable housing a priority for the city. We would also like to express our appreciation to be able to contribute to this important effort. The TAG agrees that this strategy presents the opportunity for the city to respond boldly to the affordable housing crisis. Bold action now will ensure our community's health and vitality into the future.

The TAG has met as a full group and in sub-groups multiple times for nearly a year in order to fulfill our charge of providing expertise and guidance on the development of this Strategy. We have provided input to and reviewed the results of analyses for the full range of actions. Likewise, we have discussed the pros and cons of these actions and brought the individual expertise and perspectives that we offer to the City Council as you deliberate how best to achieve the Strategy.

As a technical group, we were not charged with reaching consensus or making a recommendation on the individual actions; however the TAG is recommending that the council move ahead with all of the strategies. There was unanimity of the group about the need for affordable housing and the importance of taking bold and collaborative actions above and beyond current city programs and funding levels. The City Council's guiding principles were very clear and the principle about "establishing ambitious goals" set the tone for our work. At the beginning of the process we established two ambitious goals for the next 10 years:

- 1) create or preserve an additional 2,500 homes affordable to people earning less than 50% of area median income (\$45,150 for a family of four); and
- 2) create or preserve another 2,000 homes affordable to people earning between 50% and 80% of area median income (\$72,240 for a family of four).

These were set as benchmarks against which to measure the actions that were being considered. Although the proposed actions do not quite reach the first goal, they do make substantial progress toward serving this important need.

### Why is it important for the city to take bold action now?

The Puget Sound region's booming economy, together with Bellevue's strong neighborhoods and nationally acclaimed school district means that Bellevue is a very desirable place to live. While the need for affordable housing continues to grow, the availability is falling behind the demand.

### What does bold action look like?

This Strategy, when implemented, could create about 3,000 affordable homes in Bellevue over the next ten years. These actions will set the city on the path toward increased housing affordability, reversing current trends and ensuring our city's health and vitality into the future.

One of the benefits of having a group of people with expertise in different aspects of the affordable housing issue was the valuable exchange of knowledge and ideas. Even with our differences, however, there was consensus on the following messages the TAG offers to the City Council for your consideration:

- There is no single answer or action to this challenge. The five strategies are interrelated and all of them are important and require an increased level of effort sustained over time for the strategy to succeed – the TAG encourages the Council to be bold in its actions;
- “Nibbling around the edges” with simple, easy actions will not have a significant impact on housing affordability. This will require bold actions by the City Council to do more than is being done today;
- The strategy must be dynamic, integrating existing and new actions, measuring results, dedicating resources, and adapting it over time as needs and tools change; and
- It is vital that the community understand this is a crisis affecting everyone - residents, employees, businesses, seniors, families - and the actions require support and involvement by everyone. This will require a sustained effort by the city to educate and involve the community in achieving the goals of the strategy.

We hope that the City Council and the community will agree that the development of this Affordable Housing Strategy was a worthwhile effort and an important step. This Strategy should be viewed as the beginning of a concerted and sustained effort by Bellevue. The next step is up to the City Council to carry out the Strategy at the necessary level of effort and funding. The TAG believes it is necessary to unlock city resources to fund this effort. We encourage the City Council, as stewards of the public trust in Bellevue, to implement all of the strategies in order bring bold leadership and actions that will make a difference for current and future residents of Bellevue!

**Andrea Sato**

*Kantor Taylor*

**James McEachran**

*Human Services Commission*

**Rich Wagner**

*Baylis Architects*

**David Hoffman**

*Master Builders Association of King  
and Snohomish Counties*

**Jan Laskey**

*Affordable Housing Finance  
Professional*

**Sean Martin**

*Rental Housing Association*

**Dwight Schrag**

*Downtown Resident*

**Katherine Jordan**

*Lake Hills Resident*

**Sibyl Glasby**

*Imagine Housing*

**Eric Campbell**

*Main Street Properties*

**Kim Loveall Price**

*Downtown Action to Save Housing*

**Tim Walter**

*King County Housing Authority*

**Hal Ferris**

*Spectrum Development*

**Michael Orbino**

*Seattle-King County Realtors*

# Table of Contents

|  |    |
|--|----|
| Introduction.....  | 1  |
| 1. Affordable Housing Strategy.....  | 3  |
| Strategy A. Help People Stay in Affordable Housing.....                                | 7  |
| Strategy B. Create a Variety of Housing Choices.....                                   | 12 |
| Strategy C. Create More Affordable Housing.....  | 16 |
| Strategy D. Unlock Housing Supply By Making It Easier to Build..                       | 21 |
| Strategy E. Prioritize State, County, and Local Funding for<br>Affordable Housing..... | 24 |
| Implementation.....  | 31 |
| 2. Housing Need in Bellevue.....   | 41 |
| 3. Existing Programs.....  | 47 |
| 4. Developing the Strategy.....  | 53 |
| 5. Performance Monitoring.....   | 65 |
| Acronyms.....  | 67 |
| Glossary.....  | 68 |

## Appendices (published under separate cover)

1. Bellevue Affordable Housing Strategy Existing Program Summary (Jan. 2017)
2. Council Approved Potential Actions List (September 2016)
3. Housing Needs Assessment (March 2016)
4. Effective Practices (March 2017)
5. Public Engagement Summary (April 2017)

## List of Tables

|  |    |
|--|----|
| Table 1. Affordable Housing Strategy Estimated Cost and Funding Scenarios.....     | 26 |
| Table 2. Funding Approaches.....   | 28 |
| Table 3. Implementation.....   | 32 |
| Table 4. Existing Housing Programs in Bellevue.....                                | 47 |
| Table 5. New Affordable Housing Created or Preserved in Bellevue, 1993 - 2012..... | 51 |
| Table 6. Performance Monitoring.....   | 66 |

## List of Figures

|  |    |
|--|----|
| Figure 1. Implementation Timeline.....   | 36 |
| Figure 2. Affordable Housing Need.....   | 41 |
| Figure 3. Affordable and Actual Average Rents.....   | 42 |
| Figure 4. The majority of Bellevue households have incomes above county median income..... | 43 |
| Figure 5. 49% of senior households are at or below 50% of county AMI.....                  | 43 |
| Figure 6. Age distribution: Bellevue residents who have moved in the past year.....        | 45 |
| Figure 7. Prior residence: Bellevue residents who have moved in the past year.....         | 46 |

*This page intentionally left blank*

# Introduction

Affordable housing is a critical need for Bellevue. Housing prices, which dropped during the recession, are now at or above pre-recession levels. In early 2017, the median single family home sale price in Bellevue was over \$1 million. Similarly, apartment rents have been climbing steadily, with average apartment rents in west Bellevue and Downtown at over \$2,000 monthly. Over one third of Bellevue renters are paying more than 30% of their income for housing costs and one in six are paying more than 50% of their income.

The high cost of housing has many ramifications for Bellevue. An increasing share of young families face decreased housing stability, which has a demonstrated relationship to decreased academic performance in children. Many senior households are having a hard time staying in the community that has been their home for decades. Workers who cannot afford to live near their jobs must face longer commutes, adding to regional and local congestion. Stakeholder input to Bellevue's Economic Development Plan identified lack of workforce housing as a primary challenge for Bellevue businesses.

Bellevue has been taking action for many years to address affordable housing. At the regional level, the city has been an active participant in A Regional Coalition for Housing (ARCH), working in collaboration with other neighboring jurisdictions to preserve and increase the supply of affordable housing. At the local level, the city has adopted a multifamily tax exemption to promote private sector development of affordable housing, and developed code incentives to promote affordable housing at transit-oriented nodes, among other actions. See Chapter 3 for a summary of all of the city's current affordable housing programs. All of these current tools together produce approximately 40 affordable homes per year; current efforts are not keeping pace with the increasing need. Additional tools and resources are necessary to create more affordable housing.

Bellevue's Affordable Housing Strategy (AHS) builds from and supplements these efforts with additional effective tools. The primary purpose of the AHS is to improve affordable housing opportunities throughout the City consistent with City Council Priorities, Comprehensive Plan guidance, and Economic Development Plan Strategies. **Specifically, the Affordable Housing Strategy is intended to substantially increase the City's existing affordable housing stock over the next ten years.**

In order to achieve this objective, the Council-approved actions identified in the AHS will be implemented over the next three years. Progress of the AHS will be monitored and actions adjusted periodically based on performance measures, new information and established review timelines.

## What is affordable housing?

Housing is defined as affordable if its occupants pay no more than 30 percent of their income for rent and utilities or for mortgage, taxes, and insurance. For purposes of this study we are using the King County definitions for affordability and income levels.

## What is ARCH?

ARCH is a partnership of the County and 15 East King County cities, including Bellevue, who have joined together to preserve and increase the supply of housing for low- and moderate income households.

## INTRODUCTION

This report describes the basis and background for the AHS and its implementation. Specifically, the report:

1. Describes Bellevue's housing need by income and specific demographic groups;
2. Identifies and builds on efforts already underway, including work with ARCH and other affordable housing providers, and assesses existing programs, tools, funding resources and funding levels;
3. Reviews effective tools/best practices being used elsewhere;
4. Analyzes the efficacy, potential productivity, and policy implications of a range of possible actions; and
5. Integrates the above into a comprehensive strategy with clarity about objectives the City is working to achieve, tools to be utilized, a timeframe for implementation, and metrics to gauge performance.

City Council initiated the AHS work program in December 2015. The following goal statement embodies the Council's intent and desired outcome for the project.

*The cost of renting or owning housing has been increasing at a faster rate than income for many households in the region, especially in Bellevue. As a result, housing is not affordable to a significant portion of the population. It is critically important to provide a safe, healthy and affordable place to live for people of all income levels in order to sustain Bellevue's livability and economic vitality. The intention of this Strategy is a healthy housing market that:*

- *Provides affordability across a range of incomes mirroring our workforce*
- *Provides a variety of affordable housing choices that meet the needs of our community including:*
  - » *Young persons in college or just entering the job market*
  - » *First time home buyers or new employees who are ready to purchase a home*
  - » *Our aging population, especially those on fixed/limited income, who wish to remain in the community*
  - » *Families with children that need rental and ownership options in opportunity areas*
- *Preserves the integrity of single family areas while allowing housing that can accommodate a wider spectrum of needs and also fosters ongoing investments by individual homeowners.*

# Chapter 1.

## Affordable Housing Strategy

The strategies and actions included in this chapter represents the city staff recommendation based on technical analysis conducted by the project team, review and guidance from the TAG, and comments provided by interested members of the public. Please see Chapter 4 for a description of how the AHS was developed.

Development of the AHS began with a comprehensive list of over 60 different programs and actions compiled from multiple sources. The list was reviewed by city and ARCH staff, with input from the TAG, to identify a concise set of actions to evaluate for potential to preserve or create affordable housing in Bellevue. The City Council amended and affirmed the list before beginning the evaluation. The initial comprehensive list was maintained throughout the process for future consideration (Appendix 2).

During the evaluation process several of the actions were consolidated or evolved to clarify the intent or better meet the objectives of the project. The purpose of the evaluation was to determine, to the extent possible, the efficacy of each action in terms of the following measures over the next 10 years:

- an estimate of affordable units produced or preserved;
- income level and identified need that could be served by those units;
- anticipated time frame for units to be available and for what length of time;
- rough order-of-magnitude cost to the city; and
- whether costs would be borne by public or private sector or both.

The information generated through the evaluation was shared with the TAG and their input shaped the development of the five strategies and supporting actions listed on the following page and described in this chapter. The strategies are designed to address different aspects of the affordable housing issue and intended to remain relatively constant over the next 10 years. The actions are intended to be much more dynamic with actions added as new tools are developed or removed if the performance is not achieving expectations. The implementation and performance sections of this report describe how the actions are to be carried out and tracked for productivity.

The balance of this section is devoted to a brief description of strategies and supporting actions, including examples of how implementation has occurred in other locations. In addition, as part of their evaluation, the TAG identified six bold actions with the greatest potential to create a relatively large number of new affordable units over the short term. A key to the graphics used in this chapter is provided on the following page.



## 1. AFFORDABLE HOUSING STRATEGY

## Affordable Housing Strategies and Actions at a Glance

### STRATEGY A: Help People Stay in Affordable Housing



- A-1. Partner with non-profit organizations and housing agencies to fund the purchase of existing, affordable multi-family housing to preserve it for the long term.
- A-2. Advocate for state legislation to extend property tax exemptions to existing multi-family properties that agree to set aside some apartments as affordable.
- A-3. Promote programs that provide social and physical support to help seniors and disabled people remain in their homes.
- A-4. Increase funding and expand eligibility for the city's home repair and weatherization programs.
- A-5. Promote energy efficiency in design and construction of affordable units to reduce costs for residents.
- A-6. Promote existing utility rate relief, utility tax relief, and property tax relief programs for income-eligible residents.

### STRATEGY B: Create a Variety of Housing Choices

- B-1. Encourage micro-apartments around light rail stations through actions such as reduced parking requirements.
- B-2. Update accessory dwelling unit standards and allow detached units in self-selected neighborhoods.
- B-3. Promote design in affordable units that ensures accessibility for all ages and abilities (e.g. "universal design").
- B-4. Consider changes to the down payment assistance program for low-income and first-time homebuyers.

### STRATEGY C: Create More Affordable Housing



- C-1. Increase development potential on suitable land owned by public agencies, faith-based and non-profit housing entities for affordable housing.



- C-2. Develop affordable housing on suitable surplus public lands in proximity to transit hubs.



- C-3. Update existing tax exemption programs for affordable housing to increase participation by developers of new housing.



- C-4. Inclusionary zoning: increase zoning as incentive to provide affordable units in new development.



- C-5. Reduce costs of building affordable housing (e.g. code amendments, lower fees, reduced parking, city-funded street improvements).

### STRATEGY D: Unlock Housing Supply by Making it Easier to Build

- D-1. Revise codes to reduce costs and process time for building multi-family housing.
- D-2. Advocate for amendments to state condominium statutes to rekindle interest in condominium development.
- D-3. Change the city's approach to density calculation in multi-family zones to allow more flexibility in unit size and type.

### STRATEGY E: Prioritize State, County, and Local Funding for Affordable Housing



- E-1. Tap additional local sources to dedicate more funding to affordable housing (e.g. reallocation of general fund and/or REET, increase of property tax and/or business & occupation tax, bonds)
- E-2. Pursue funding partnerships with employers, financial institutions, foundations, and others.
- E-3. Advocate for legislative actions that expand state and local funding tools.

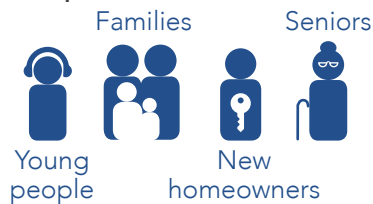
## Legend for Infographics

How many units? →



Approximately how many affordable units would this strategy create over 10 years? In the graphic to the left, each house icon represents 100 affordable units. Dark blue shows the low-end estimate, and turquoise shows the high-end estimate. To avoid double-counting, the total estimate for the strategy may not include all actions. Actions requiring increased city funds are accounted for in Strategy E, Action E-1.

People served →



Would this strategy serve young people, families, new homeowners, and seniors? These are the four target populations identified by Bellevue City Council.

Public investment →



Relative to the other strategies, how much would it cost to implement this strategy in a significant way? This metric allows comparisons about which strategies will require the largest commitments of public resources. Scale: \$ to \$\$\$

Who provides? →



Who—public, private, or non-profit—will build and control the affordable units created by this strategy? For example, will the units be in subsidized public housing, or will they be within market-rate developments?



**Bold Action.** The TAG identified bold actions as those with the greatest potential to create a relatively large number of new affordable units within 10 years.

(Icon created by Laurene Smith, Noun Project)



Indicates an action that requires city funding as described in Action E-1

## 1. AFFORDABLE HOUSING STRATEGY

---

### Does the Affordable Housing Strategy address homelessness?

The growing number of unsheltered individuals and families is a crisis facing many cities, including Bellevue. Over the past several years, the number of homeless has steadily increased on the Eastside. In 2015-16, over 1,200 men, women and children received temporary shelter and other services. The “one night count” of unsheltered homeless on the Eastside increased from 134 in 2015 to 245 in 2016. The six school districts that serve eastside communities report that 1,318 students are homeless. 220 of these homeless students attend Bellevue School District schools (2014-2015 school year).

Factors that lead to homelessness include poverty, social inequities, illness, domestic violence, mental illness and addiction, among others. Bellevue is committed to a thoughtful and holistic response to helping the homeless in our community. Some of the actions that the city is taking include:

- Participating in King County’s All Home initiative
- Hosting a temporary low-barrier winter shelter for men experiencing homelessness since 2008 and working with Congregations For the Homeless to find a permanent site for this facility
- Coordinating with surrounding cities on an Eastside response to homelessness
- Supporting faith organizations and nonprofits that provide shelter and other services
- Working to address root causes of homelessness through support for service agencies through the Human Services fund
- Seeking to increase the inventory of very low and low income housing available in Bellevue through this Affordable Housing Strategy

As one part of the city’s larger effort to address homelessness, the Affordable Housing Strategy includes actions, such as increasing the supply of very-low and low income housing, that serve families and individuals at risk of becoming homeless or working to transition out of homelessness. An example of this type of housing is Andrews Glen in Factoria, which serves veterans and others in need of very low-income housing.

# Strategy A. Help People Stay in Affordable Housing

**Preserve affordable housing stock and support programs that stabilize housing expenses for residents.**

## What is this strategy about?

People experience a loss in their affordable housing for a variety of reasons, such as redevelopment or rent increases beyond their ability to pay. Comparable affordable housing may not be available in Bellevue. Lower-income and fixed-income people, especially seniors, who have owned their homes for a long time but can no longer afford to live there because of increased costs (e.g. maintenance, taxes, utilities) may be unable to find an affordable alternative that allows them to remain in their communities. Strategy A addresses these issues with a suite of actions that would preserve existing affordable housing and help to stabilize housing costs.

## Why is this strategy important?

Bellevue's thriving economy, strong job growth, and nationally acclaimed school district mean that for many people, this is a beautiful and desirable place to live and work. For others, it may mean that they are unable to stay in their homes. Facing higher rents and housing costs, residents can be priced out of neighborhoods they have lived in for decades. Some owners can sell their homes for a profit, but for others, the decision to leave is involuntary. Actions that preserve existing affordable housing and help those who want to stay in their homes are an important part of the city's affordable housing strategy.



A teacher can afford \$1,200 monthly rent



A police officer can afford \$2,000 monthly rent or a \$290,200 home

*Strategy A actions help those at 50/60% - 80% AMI, such as a teacher, and those at 80% - 100% AMI, such as a police officer.*

## How many units?



## People served



## Public investment



\$660K - \$1.3M  
over 10 years

## Who provides?





Boulder, Colorado's preservation strategy includes purchasing existing affordable units to preserve them in perpetuity. For example, the city recently allocated \$8.25 million in Affordable Housing Funds to contribute towards the purchase and rehabilitation of 203 existing apartment units in Southeast Boulder. City contributions totaled \$40,640 per unit, a relative bargain compared to the average per-unit subsidy over the past three years of \$82,000 for new construction projects.

## Strategy A: Actions

### A-1. Partner with non-profit organizations and housing agencies to fund the purchase of existing, affordable multi-family housing to preserve it for the long term.

Rents continue to increase for apartments throughout Bellevue. Older, more affordable apartments are being torn down and replaced with new apartments that are too expensive for the people who used to live there. One way to preserve these more affordable apartments is for the city to provide funds to non-profit entities and housing agencies to purchase this housing and preserve its affordability now and into the future. This action would help to prevent the loss of existing, affordable housing stock that may be under pressure to redevelop; retain existing, affordable housing stock for the long term; and, possibly upgrade substandard housing.

Estimated new affordable units: 250-500 at up to 50/60% AMI and 250-500 at 50/60% - 80% AMI

*Action A-1: Policy trade-offs and other considerations identified by the TAG*

| Advantages   | Disadvantages   |
|--|---|
| <ul style="list-style-type: none"> <li>• Prevents loss of some existing affordable units</li> <li>• Helps prevent displacement of existing residents</li> <li>• Preserves affordability long term</li> </ul> | <ul style="list-style-type: none"> <li>• Requires additional city funding above current levels</li> </ul> |

### A-2. Advocate for state legislation to extend property tax exemptions to existing multi-family properties that agree to set aside some apartments as affordable.

Bellevue has a program to provide a property tax exemption for 12 years for new multi-family projects that provide 20% of their apartments to people with moderate income (e.g. a family of 4 earning less than 80% of annual median income, estimated at \$72,240 in 2016). If state law allowed a similar exemption for existing multi-family development, more apartments could be made affordable for a period of time.

Estimated new affordable units: 55 - 110 at up to 50/60% AMI

*Action A-2: Policy trade-offs and other considerations identified by the TAG*

| Advantages  | Disadvantages   |
|---|---|
| <ul style="list-style-type: none"> <li>• Could encourage investment in older multifamily housing</li> <li>• Additional tool for improving building conditions and preserving existing affordability for a time</li> </ul> | <ul style="list-style-type: none"> <li>• 15 year requirement for preserving affordability may be disincentive to owners</li> <li>• Preserves affordability only for 15 years</li> </ul> |

### A-3. Promote programs that provide social and physical support to help seniors and disabled people remain in their homes.

An example of this type of program is the virtual village, a social support network that works within existing neighborhood(s) to provide services to the elderly or others in need of help in order to remain in their homes. These or other similar programs can help to reduce isolation, increase independence, and enhance social connections.

*Action A-3: Policy trade-offs and other considerations identified by the TAG*

| Advantages  | Disadvantages  |
|---|--|
| <ul style="list-style-type: none"> <li>• Does not necessarily require city funding – could be in the form of program support / technical assistance</li> <li>• May reduce potential for displacement from existing residence to a less affordable unit</li> <li>• Funding for Human Services support programs (e.g. transportation, weatherization) that help people remain in their homes</li> </ul> | <ul style="list-style-type: none"> <li>• Does not preserve or create an affordable unit</li> </ul> |

#### Virtual Villages

RICK CLOUD, 68, knew that he wanted to stay in his home in Austin, Tex., as he aged. But Mr. Cloud, who is divorced, was not sure how he could do that without relying on his two daughters.

Then he ran across the idea of virtual retirement villages, whose members pay a yearly fee to gain access to resources and social connections that help them age in place. Sold on the concept, Mr. Cloud joined with some friends to start Capital City Village four years ago.

“Our virtual village can connect me with people my own age so I can do more things,” said Mr. Cloud, a retired technology consultant. “I worry about being single and getting older.”

Now, Mr. Cloud has all the support he needs. He can tap into Capital City Village’s network of more than 100 service companies referred by members. Dozens of volunteers will walk his dog or do yard work. When he wants to meet people, Mr. Cloud can attend house concerts in a member’s home, go to happy hour at the local Mexican restaurant or hear a champion storyteller give a talk. He has also made over 40 village friends.

*Excerpted from the New York Times, November 28, 2014, “Retirees Turn to Virtual Villages for Mutual Support”*

## STRATEGY A

The King County Housing Authority is a partner with Bellevue's home repair and weatherization program, providing loans for home repairs and upgrades to help lower income single family homeowners.

#### A-4. Increase funding and expand eligibility for the city's home repair and weatherization programs.

Some long-time homeowners, including seniors on fixed incomes, people with disabilities and people working in low-wage jobs, may be struggling to afford home maintenance. Lower income people who are unable to pay their bills are more likely to lose their homes and potentially experience homelessness. These actions would increase city funding for these programs and help more people use them.

*Action A-4: Policy trade-offs and other considerations identified by the TAG*

| Advantages  | Disadvantages  |
|---|--|
| <ul style="list-style-type: none"> <li>• Improves living condition of residents</li> <li>• Repair/investment benefits neighborhood</li> <li>• Program is scalable in city's budget decisions</li> <li>• Helps preserve existing housing</li> <li>• Increases affordability for residents</li> </ul> | <ul style="list-style-type: none"> <li>• Residents must income qualify, but program does not preserve or create an affordable unit</li> <li>• Certain increase in funding level will require additional staff to administer program</li> </ul> |

To promote energy efficiency in design and construction of affordable housing, cities offer programs and incentives. For example, **Chicago** offers rebates of up to \$25,000 and an expedited permitting process for affordable housing developments that meet the Chicago Green Homes Certification. **Salt Lake City** launched a Housing Innovation Lab and Public Home Innovation Contest with the unveiling of the Emery Passive House, a moderate-income family home with one-sixth of the anticipated energy cost of traditionally-built houses.

#### A-5. Promote cost-effective energy efficiency in affordable units to reduce costs for residents.

Improving the energy efficiency of housing can reduce the cost burden on building owners and renters. For example, homes in Denmark have a master switch to power down all non-essential lights and appliances. The federal government's Partnership for Home Energy Efficiency (PHEE) – a collaboration between the EPA, DOE, and HUD – estimates that households can save between 20-30% on energy costs by improving energy efficiency. Energy efficient design can increase home value, reduce reliance on utility subsidy programs, and even reduce the likelihood of evictions resulting from utility shutoffs (U.S. Environmental Protection Agency, 2011). A program providing grants, rebates or other incentives could help to support cost-effective energy efficiency and reduced cost burden for property owners and renters.

*Action A-5: Policy trade-offs and other considerations identified by the TAG*

| Advantages  | Disadvantages  |
|---|--|
| <ul style="list-style-type: none"> <li>• Energy efficient units will have lower utility costs for residents than less efficient units</li> <li>• Supports existing Evergreen Sustainable Development Standards for affordable housing with state funding</li> </ul> | <ul style="list-style-type: none"> <li>• Requirements for energy efficiency are already in code for new units</li> <li>• Does not preserve or create an affordable unit</li> </ul> |

### A-6. Promote existing utility rate relief, utility tax relief, and property tax relief programs for income-eligible residents.

The city currently offers up to 75% off utility costs and utility tax rebates for persons who meet specific residency and income guidelines. These programs each serve about 1,200 persons annually and currently have adequate funding to serve all those that apply. The King County Assessor manages two tax relief programs for senior citizens and the disabled and estimates that only one in 100 of those eligible are currently enrolled. This action seeks to expand participation in these programs through increased outreach and information.

*Action A-6: Policy trade-offs and other considerations identified by the TAG*

| Advantages  | Disadvantages   |
|---|---|
| <ul style="list-style-type: none"> <li>• Programs exist, city programs are scalable</li> <li>• Assists current owners</li> <li>• Increases affordability for residents</li> <li>• May prevent some people from experiencing homelessness</li> </ul> | <ul style="list-style-type: none"> <li>• Impacts city budget</li> <li>• Does not preserve or create an affordable unit</li> </ul> |



# Strategy B.

## Create a Variety of Housing Choices

How many units?



People served



Public investment



No direct costs

Who provides?



**Offer more types of housing, including lower priced options in neighborhoods within walking distance of jobs, transit, shopping, and services.**

**What is this strategy about?**

Because Bellevue's population is increasingly diverse, a range of housing choices is needed to meet our city's changing needs. The provision of a diverse range of dwelling styles and densities ensures the housing needs of residents at different stages in life and increasingly diverse household types (such as multigenerational families, lower income households, older adults, and those with disabilities, among others) can be met.

Diversity in housing sizes and types, cost, accessibility, geographic location, and cultural options can provide for diverse individual housing needs at all stages of life, help to ensure new residents are welcomed, and to ensure that long-term residents can stay in Bellevue.

**Why is this strategy important?**

Affordable housing is not one-size-fits-all. Housing options should be thought of as a menu—with a variety of options that appeal to people at different income levels and life stages, from young adults to working families to seniors. Actions proposed as part of Strategy B, in conjunction with the other strategies, seek to increase housing options in Bellevue and serve the diverse needs of people who want to live in the community.



A teacher can afford \$1,200 monthly rent



A police officer can afford \$2,000 monthly rent or a \$290,200 home

*Strategy B actions help those at 50/60% - 80% AMI, such as a teacher, and those at 80% - 100% AMI, such as a police officer.*

## Strategy B: Actions

### B-1. Encourage micro-apartments around light rail stations through actions such as reduced parking requirements.

Micro apartments are typically 200-300 square feet including a living/bedroom area, bathroom, and kitchenette. These apartments appeal to young, single adults getting their first job or just moving to the area. Residents often don't own a car so they want to live within walking distance of shopping, restaurants and activities and frequent regional transit in order to get to their jobs and other activities. For this reason, required parking is usually less than for apartments located where a car is needed. This action would encourage micro-apartment development in multifamily zones around light rail stations through actions such as reduced parking requirements.

Estimated new affordable units: 100 - 200 at 50/60% - 80% AMI

*Action B-1: Policy trade-offs and other considerations identified by the TAG*

| Advantages  | Disadvantages  |
|---|--|
| <ul style="list-style-type: none"> <li>• Reduces development costs</li> <li>• Housing type serving a target demographic, i.e. young persons in college or just entering the job market</li> <li>• Could add an incentive for affordability tied to reduced parking</li> </ul> | <ul style="list-style-type: none"> <li>• Public concerns about not having enough parking – spill-over into other neighborhoods</li> <li>• Market rate rents, no requirement for affordability</li> </ul> |

## STRATEGY B

Based on a recent review of ADU production in East King County cities, ADUs are produced at a slower rate in Bellevue compared to neighboring cities and below the average of all East King County cities. Between 1994 and 2014, Bellevue permitted 3.9 ADUs per 1,000 single-family housing units, compared with 31.5 in Mercer Island, 6.7 in Kirkland, and 6.6 in Issaquah. The average across all East King County cities was 5.7 ADUs per 1,000 dwelling units.

## B-2. Update accessory dwelling unit standards and allow detached units in self-selected neighborhoods.

Accessory dwelling units (ADUs) currently are allowed only if they are part of the main house. Other cities also allow ADUs as a separate structure ("detached"). ADUs provide a flexible and affordable housing choice in single-family neighborhoods and provide an option for seniors and others to "down-size" or to be able to afford their homes and remain in the neighborhood. This action would modify some existing regulations to make ADUs more feasible to build. It would also allow for detached ADUs when approved as part of a neighborhood plan.

Estimated new affordable units: 100 - 400 at 50/60% - 80% AMI

*Action B-2: Policy trade-offs and other considerations identified by the TAG*

| Advantages  | Disadvantages   |
|---|---|
| <ul style="list-style-type: none"> <li>• Option for seniors (target demographic) who want to remain in their homes – i.e. supplemental income, down-sizing, live-in assistant</li> <li>• Option for people with special needs who want to remain in their homes – i.e. supplemental income, live-in assistant</li> <li>• Increases overall housing supply, which may help affordability</li> <li>• Increases housing choice</li> <li>• Could help preserve existing neighborhood scale and form (i.e. alternative to building mega-houses)</li> </ul> | <ul style="list-style-type: none"> <li>• Incorporating sufficient provisions to address public concerns about requirements for parking, setbacks, additional people in the neighborhood</li> <li>• No guarantee that ADUs will be affordable</li> </ul> |

### B-3. Promote design in affordable units that ensures accessibility for all ages and abilities (e.g. “universal design”).

The term “universal design” refers to a home environment that anybody can use, whether they are old or young, with or without disabilities. People without disabilities can age in place, staying in their homes well into their older years if their homes are already designed for their needs. As more Americans choose to “age in place,” the demand for universal design homes and products is likely to increase. This action would provide additional information and resources to promote universal design.

*Action B-3: Policy trade-offs and other considerations identified by the TAG*

| Advantages  | Disadvantages   |
|---|---|
| <ul style="list-style-type: none"> <li>• Housing design serving target demographics, i.e. seniors, some special needs</li> <li>• May reduce potential for displacement from existing residence to a less affordable unit</li> </ul> | <ul style="list-style-type: none"> <li>• Could add costs to construction</li> <li>• Does not preserve or create an affordable unit</li> </ul> |

### B-4. Consider changes to the down payment assistance program for low-income and first time homebuyers.

Since 2005, the ARCH East King County Down Payment Assistance Loan Program has provided qualified borrowers down payment and closing cost assistance through a revolving loan fund. This program works in combination with the Washington State Housing Finance Commission Home Advantage first mortgage loan program. Since 2005, nine Bellevue homebuyers have received this assistance. Changes to the program, such as working with the State Housing Finance Commission to change qualifying program limits or finding partners to establish a local fund for down payment assistance, could increase the ability of Bellevue residents to participate in this program.

*Action B-4: Policy trade-offs and other considerations identified by the TAG*

| Advantages   | Disadvantages  |
|--|--|
| <ul style="list-style-type: none"> <li>• Opportunity to partner with employers to meet funding gap</li> <li>• Encourages home ownership</li> <li>• Program changes/increased funding could serve 20 – 50 additional homebuyers</li> <li>• Mortgage is the best form of “rent control”</li> </ul> | <ul style="list-style-type: none"> <li>• Existing program purchase price limits make use in Bellevue virtually impossible</li> <li>• Does not preserve or create an affordable unit</li> </ul> |

# Strategy C. Create More Affordable Housing

**Increase the amount of housing affordable to people at lower and moderate income levels.**

## How many units?



## People served



## Public investment



\$4.2M - \$12M  
over 12 years

## Who provides?



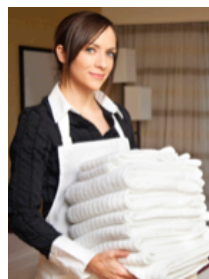
## What is this strategy about?

Bellevue needs more affordable housing for individuals and for families – large and small, young and old. As a local government, two important ways in which the city can influence affordable housing production are through its regulations and through prioritizing use of public lands for affordable housing. This strategy focuses on the city's regulatory authority to support development of affordable housing and on opportunities to use public lands for housing development.

Creating more affordable housing will ensure that young families looking for their home community, the elderly who hope to stay rooted in their neighborhood, and those who work in any profession – whether a tech worker or a teacher – will have an opportunity to find an affordable home in Bellevue.

## Why is this strategy important?

Many people who would like to live in Bellevue because of family, education, employment or other reasons cannot afford to live here. Bellevue has a shortage of housing that is affordable for people earning less than \$25 per hour or about \$50,000 per year (e.g. dental assistants, hotel workers, baristas). More than 75% of Bellevue households in this income group spend more than 30% of their income on housing-related expenses. This may mean difficult choices must be made between housing and other essentials, such as food, transportation or medical care. Strategy C seeks to increase the amount of affordable housing in the city so people who wish to live here will have a chance to make this community their home.



A hotel worker  
can afford \$540  
monthly rent



A dental assistant  
can afford \$1,000  
monthly rent



A teacher can  
afford \$1,200  
monthly rent

*Strategy C actions help those at less than 30% AMI, such as a hotel worker, those at 30% - 50/60% AMI, such as a dental assistant, and those 50/60% - 80% AMI, such as a teacher.*

## Strategy C: Actions

### C-1. Increase development potential on suitable land owned by public agencies, faith-based and non-profit housing entities for affordable housing.

This action would promote affordable housing on surplus or underutilized properties that are owned by public agencies or faith-based organizations. Public agencies, such as government, transit agencies and special districts, often own property that is no longer useful for its original purpose, or is ideally situated for shared public and private uses. Faith-based organizations are often located in residential areas on large parcels that could accommodate housing. Where the location is suitable for affordable housing, this action would increase the zoning on properties already owned by public agencies, non-profits and faith-based organizations. By changing zoning designations to increase development potential, this action would provide the opportunity to build more affordable housing at a lower cost.

Estimated new affordable units: 125 - 565 at up to 50/60% AMI and 60 - 460 at 50/60% - 80% AMI

*Action C-1: Policy trade-offs and other considerations identified by the TAG*

| Advantages  | Disadvantages  |
|---|--|
| <ul style="list-style-type: none"> <li>Action focused on larger sites located in or adjacent to multi-family residential or commercial areas</li> <li>Increasing density tied to provision of affordable housing could reduce land costs; could eliminate land costs on non-profit sites</li> <li>Most effective if done as a single action for comp plan amendments and rezones</li> </ul> | <ul style="list-style-type: none"> <li>Limited number of public properties</li> <li>Many similar sites not considered due to location in or adjacent to single family neighborhoods</li> </ul> |



The 12th Avenue Arts building in Seattle was developed on a city-owned surface parking lot used by the Seattle Police Department. Developed by Capitol Hill Housing, the new building includes underground parking for the police department, 88 affordable housing units, two theaters, commercial space, and office space for local nonprofits. The \$47 million project combined Low Income Housing Tax Credits, New Markets Tax Credits, and a HUD 108 loan, among many other sources (Capitol Hill Housing).



### C-2. Develop affordable housing on suitable surplus public lands in proximity to transit hubs.

In areas around new or existing transit hubs, there may be available public land that is no longer needed for the transit facility and could be used for development of affordable housing. This action would focus on opportunities to work in partnership with Sound Transit and King County Metro to develop affordable housing on public lands near transit hubs.

Estimated new affordable units: 135 - 220 at up to 50/60% and 65 - 130 at up to 50/60% - 80% AMI

*Action C-2: Policy trade-offs and other considerations identified by the TAG*

| Advantages  | Disadvantages  |
|---|--|
| <ul style="list-style-type: none"> <li>• Leverages agreements with Sound Transit on their properties around 120th and 130th stations</li> <li>• Could reduce land costs for affordable housing</li> </ul> | <ul style="list-style-type: none"> <li>• Limited opportunities beyond two BelRed sites at this time</li> </ul> |



### C-3. Update existing tax exemption programs for affordable housing to increase participation by developers of new housing.

In June 2015, the City of Bellevue adopted a Multifamily Tax Exemption (MFTE) program that can be used in BelRed, Downtown, Eastgate, Crossroads Village, and Wilburton. In exchange for a 12-year property tax exemption on the residential improvement, participating developers are required to set aside 20% of units as affordable to low and moderate income households.

To date, Bellevue's MFTE program has not produced any units of affordable housing. This action would review and recalibrate Bellevue's MFTE to make participation more financially feasible for developers, while also maximizing public benefit. As a voluntary, incentive-based program, MFTE is only effective at creating affordable units if developers choose to participate.

Estimated new affordable units: 360 - 650 at 50/60% - 80% AMI

*Action C-3: Policy trade-offs and other considerations identified by the TAG*

| Advantages   | Disadvantages  |
|--|--|
| <ul style="list-style-type: none"> <li>• Adjustments may encourage more use of Multifamily Tax Exemption (MFTE)</li> <li>• Other taxing entities leverage city costs (MFTE ~ 8:1)</li> </ul> | <ul style="list-style-type: none"> <li>• Affordability only lasts for 12 years</li> <li>• Foregoes some future tax revenues</li> </ul> |

**C-4. Inclusionary zoning: Increase density as incentive to provide affordable units in new development.**

Inclusionary zoning provides affordable housing for moderate income residents in exchange for additional residential development capacity (i.e. an increase in what the zoning currently allows; generally density, height, floor area ratio or some other benefit). Such a program can be either voluntary or mandatory. In areas where significant increases in zoning capacity are being considered (e.g. East Main station area, Wilburton commercial area), a voluntary program modeled after the BelRed incentive system, described below, could ideally approach the levels of productivity of a mandatory program. Conversely, in areas where zoning capacity incentives may not be compelling enough to be used voluntarily, a mandatory program is likely to produce significantly more affordable housing. Bellevue has employed both types of inclusionary zoning in the past.

Initial Council feedback indicated a strong preference for a voluntary program. Under this approach the incentives will be tailored to each of the city’s growth areas based on the vision, planned growth, market factors and the economics of development to optimize the effectiveness and productivity of the program. In addition, the multi-family tax exemption (MFTE) program will be updated (Action C-3) to work in conjunction with zoning incentives to produce additional affordability. Other actions and partnerships will be explored (Action E-2) to help deepen affordability.

Estimated new affordable units: 475 at 50/60% - 80% AMI

*Action C-4: Policy trade-offs and other considerations identified by the TAG*

| Advantages   | Disadvantages   |
|--|---|
| <b>Mandatory Inclusionary Zoning</b>   |   |
| <ul style="list-style-type: none"> <li>• Produces affordable units in proportion to development of market housing</li> <li>• Greater dispersion of affordable units within new apartment development and residential growth areas</li> </ul> | <ul style="list-style-type: none"> <li>• Requires changes to development regulations, which could limit where this would be applied</li> <li>• Some view the need for affordable housing as a broader social issue that should not be borne by private housing developers</li> <li>• If requirement is too onerous it would discourage development</li> </ul> |
| <b>Voluntary Inclusionary Zoning</b>   |   |
| <ul style="list-style-type: none"> <li>• Bonuses may encourage more development</li> <li>• Can be targeted for specific areas and goals</li> <li>• Bellevue has greater potential with upzones to create incentives</li> </ul>               | <ul style="list-style-type: none"> <li>• Voluntary incentive may not be used so may not generate affordable housing with each development</li> <li>• If incentives are not properly calibrated then affordable units would not be produced</li> </ul>   |



**Eastside Inclusionary Housing Programs**

| City          | Mandatory | Voluntary |
|---------------|-----------|-----------|
| Bellevue      |           | ✓         |
| Issaquah      | ✓         | ✓         |
| Kenmore       |           | ✓         |
| Kirkland      | ✓         | ✓         |
| Mercer Island |           | ✓         |
| Newcastle     | ✓         | ✓         |
| Redmond       | ✓         |           |
| Sammamish     | ✓         | ✓         |

*Note: These programs are not citywide, but limited to specific areas or districts.*



### C-5. Reduce costs of building affordable housing (e.g. code amendments, lower fees, reduced parking, city-funded street improvements).

This action would consider and implement, as appropriate, revisions to the permitting process and relevant codes in order to reduce construction costs and allow for more cost-efficient building practices. It would also consider the feasibility of city-funding for street improvements necessary to serve new affordable housing. Potential changes would maintain important, basic standards for public health and safety while seeking to reduce time and cost of construction. Reduced costs would have the potential to produce more units or deepen the level of affordability.

*Action C-5: Policy trade-offs and other considerations identified by the TAG*

| Advantages   | Disadvantages  |
|--|--|
| <ul style="list-style-type: none"> <li>• Helps reduce funding gap</li> </ul> | <ul style="list-style-type: none"> <li>• Does not close funding gap, additional public funding still needed</li> <li>• City takes on more capital costs for infrastructure improvements</li> </ul> |

# Strategy D. Unlock Housing Supply By Making It Easier to Build

**Increase the total amount of housing to better meet market demand and relieve pressure on overall cost of housing.**

## What is this strategy about?

As long as Bellevue remains an attractive place to live and work, there will continue to be growth in demand for housing. To the extent that demand is high and supply is not able to keep up, housing prices will continue to rise and affordability will decrease. This strategy focuses on actions to help increase the total amount of housing available in Bellevue and, in so doing, relieve pressure on the overall cost of housing.

## Why is this strategy important?

Building and land use requirements can make it more costly to build housing of all types. Making specific changes to these requirements can reduce the cost of building housing, which in turn promotes more housing supply and long-term affordability.

While building new market-rate housing may not immediately create affordable units, it is an important component of the overall strategy. When housing is scarce, residents with higher incomes bid up the price of housing, leading to decreased affordability. Adding new units helps reduce this upward pressure on rents. In addition, these units may become more affordable over time.



*Strategy D actions help those at 80% - 100% AMI, such as a police officer.*

A police officer can afford \$2,000 monthly rent or a \$290,200 home

## How many units?



## People served



## Public investment



No direct costs

## Who provides?



## STRATEGY D

The City of Loveland, Colorado examined their zoning code to determine which requirements added unnecessary costs to developers. They found that certain landscaping requirements and fire department recommendations (i.e. having sprinkler systems in single family homes) added costs that made housing significantly more expensive to develop. Developers identified the codes that significantly increased their costs, and the city determined which could be changed or eliminated.

## Strategy D: Actions

### D-1. Revise codes to reduce costs and process time for building multi-family housing.

Building codes and land use regulations are adopted to protect public health and safety and create quality development that is consistent with the community's values. Regulations can also add time and additional expense to the development of housing. This action would identify potential changes to city code that would reduce the cost of building while maintaining important, basic standards for public health, safety, and character. Examples include changes to regulations to support new building technology, such as prefabricated or modular buildings, minimum parking reductions in certain instances, and changes to maximize economical wood frame construction.

*Action D-1: Policy trade-offs and other considerations identified by the TAG*

| Advantages  | Disadvantages   |
|---|---|
| <ul style="list-style-type: none"> <li>• Provides cost and time savings for market housing development</li> </ul> | <ul style="list-style-type: none"> <li>• May reduce the cost of housing development, but does not preserve or create affordable units unless tied to a bonus incentive system</li> <li>• May require trade-offs with other identified city goals (e.g. landscaping, first floor retail, parking ratios, stormwater facilities)</li> </ul> |

### D-2. Advocate for amendments to state condominium statutes to rekindle interest in condominium development.

Condominiums can provide home-ownership opportunities for first-time buyers, people with moderate income, and seniors and empty-nesters wanting to down-size. Developers in Washington are reluctant to build condominiums at this time due to the construction warranty provisions in state law and the potential for costly lawsuits from buyers of the condominiums. When the legislature addresses the issues with current law, there is likely to be a significant increase in new condominium development that would increase the overall housing supply and provide additional housing choices.

*Action D-2: Policy trade-offs and other considerations identified by the TAG*

| Advantages   | Disadvantages   |
|--|---|
| <ul style="list-style-type: none"> <li>• Condominiums provide entry level and more affordable options for homeownership</li> <li>• Would allow for a broader range of affordability not currently available in the market</li> </ul> | <ul style="list-style-type: none"> <li>• May increase housing choice, but does not preserve or create affordable units</li> </ul> |

### D-3. Change the city's approach to density calculation in multi-family zones to allow more flexibility in unit size and type.

In most of the city's multi-family zones the amount of housing is regulated by density (number of dwelling units per acre). This can result in larger and/or fewer apartments because of the limitation on the number that can be built on a site. For multi-family buildings in the Downtown and BelRed areas, the number of allowed units is limited only by the maximum amount of building size allowed on a site. This approach focuses on the building size rather than the number of units and provides more flexibility for a mix of smaller and larger apartments responding to market demand. Compared to the traditional approach for density calculation, this approach could result in more apartments on a site. This proposed action would use the Downtown and BelRed approach for density calculation in more of the city's multi-family zones.

*Action D-3: Policy trade-offs and other considerations identified by the TAG*

| Advantages   | Disadvantages  |
|--|--|
| <ul style="list-style-type: none"> <li>• Change from dwelling units per acre to site ratio may result in smaller or more diverse apartment size</li> </ul> | <ul style="list-style-type: none"> <li>• Smaller unit sizes may result in more intense land use</li> <li>• Does not preserve or create affordable units</li> </ul> |

# Strategy E.

## Prioritize State, County, and Local Funding for Affordable Housing

**Expand the types and amounts of funding available to support affordable housing.**

### How many units?



### People served



### Public investment



\$65M - \$110M  
over 7-10 years

### Who provides?



### What is this strategy about?

Strategy E seeks to establish a higher, sustained level of funding in order to fully implement Bellevue's affordable housing strategy. Market-based incentives like those included in some Strategy C actions can create housing affordable for people earning about 80% of area median income. However, even with density incentives, it is not financially feasible for the market to provide housing affordable to people with incomes at the 60% level and lower. Below 60% requires some amount of public subsidy, which can take different forms. The actions in Strategy E are intended to address more of the affordable housing need for people at the lower income levels. Federal, state and local funding has not kept pace with the cost of providing affordable housing and additional funding sources are critical in order to meet the growing need. The discussion below briefly describes cost and funding outcomes under four different funding scenarios in order to help estimate the cost of implementing the AHS. Appendix 6 contains additional information about cost estimates and future scenario assumptions.

Since 1999, Bellevue's average contribution to affordable housing through A Regional Coalition for Housing (ARCH) has been almost \$2 million per biennium, or \$1 million annually (primarily \$412,000 general fund contribution and loan repayments from previous projects) as described in Table 1, Scenario 1 below. Funds from Bellevue and other ARCH member cities are leveraged with federal, state and county funding to build affordable housing projects in Bellevue and other Eastside cities. Assuming current funding levels continue, with continued leveraging of multiple other public fund sources, the City of Bellevue will invest about \$10 million in current dollars to create about 400 homes affordable primarily to people earning up to 60% of AMI during the 10-year period covered by this AHS. Beginning with the 2017-2018 budget, City Council established an affordable housing contingency fund which provides an additional \$500,000 annually from 2017 through 2023, or \$3.5 million overall in the CIP. This additional level of funding, coupled with other major public funding, would produce an estimated 140 more housing units if extended over the full 10-year period (Scenario 2 below).

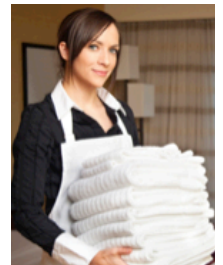
The continuation of Bellevue’s historic funding levels, as described above, does not leverage the maximum amount of outside resources or achieve the ambitious productivity goals established by the TAG. Two scenarios for higher levels of city funding were developed to evaluate costs and potential productivity closer to the TAG goals. Scenario 3 would maximize leverage of outside funding sources by increasing Bellevue’s affordable housing contribution to about \$9 million per biennium (\$4.5 million annually or \$3 million over the current level of investment). This would produce an average of 100 units annually, or about 1,000 new or preserved homes over 10 years, an increase of 460 units over Scenario 2. Scenario 4 increases city funding to a total of about \$32.75 million per biennium (about \$16.375 million annually) to produce 155 housing units per year affordable mostly to people earning less than 50/60% of area median income. Scenario 4 represents an increase of almost \$15 million per year over the current level and a total added investment of \$149 million over 10 years compared to Scenario 2. The City’s contribution ranges between \$25,000 and \$45,000 per unit with leveraged outside funds (Scenarios 1-3) and jumps to about \$225,000 to \$250,000 per unit when other sources have been exhausted. Scenario 4 reflects the higher per unit cost being paid by Bellevue for the additional units per year that do not have any other leveraged funds to cover a significant portion of the cost, like those units created in Scenarios 1, 2 and 3. Table 1 (on the following page) summarizes the number of units and costs associated with each scenario.

### Why is this strategy important?

The cost of housing is rising faster than incomes, especially for lower income households, and the amount of affordable housing produced for lower income households is not meeting the need. Because it is not financially feasible for the private market public funding is needed to create housing affordable to people earning less than 60% of area median income. Although the ambitious goals of the TAG cannot be achieved with the tools available, the actions in Strategy E will help to create housing for people with low incomes which have the greatest challenge finding housing they can afford in Bellevue. Strategy E and supporting actions explore options for additional state and local sources and funding partnerships with employers, financial institutions, foundations, and others.

To meet the city’s goal of measurably increasing affordable housing stock over the next ten years, AHS actions will need to be implemented in a comprehensive manner. For example, increasing development capacity for affordable housing on selected sites (Action C-1), will not create new affordable units without additional funding.

*Strategy E actions help those at less than 30% AMI, such as a hotel worker, those at 30% - 50/60% AMI, such as a dental assistant, and those 50/60% - 80% AMI, such as a teacher.*



A hotel worker can afford \$540 monthly rent



A dental assistant can afford \$1,000 monthly rent



A teacher can afford \$1,200 monthly rent

## STRATEGY E

**Table 1. Affordable Housing Strategy Estimated Cost and Funding Scenarios**

|                       | Scenario 1<br>Historic Funding Level<br>400 units/10 years |                                  | Scenario 2<br>Current Funding Level<br>Historic + \$0.5 M CIP for<br>10 years<br>540 units/10 years |                                | Scenario 3<br>Maximize leverage of<br>outside funds<br>1,000 units/10 years |                                | Scenario 4<br>Scenario 3 plus<br>1,550 units/10 years |                                  |
|-----------------------|--|----------------------------------|---|--------------------------------|---|--------------------------------|---|----------------------------------|
|                       | Biennial<br>Cost <sup>1,2,3</sup>                          | 10-Year<br>Cost <sup>1,2,3</sup> | Biennial<br>Cost <sup>1,2</sup>   | 10-Year<br>Cost <sup>1,2</sup> | Biennial<br>Cost <sup>1,2</sup>   | 10-Year<br>Cost <sup>1,2</sup> | Biennial<br>Cost <sup>1,2,4</sup>                     | 10-Year<br>Cost <sup>1,2,4</sup> |
| City<br>Funds         | \$2 M  | \$10 M                           | \$3 M   | \$15 M                         | \$9 M   | \$45 M                         | \$32.75 M   | \$163.75 M                       |
| Leveraged<br>Funds    | \$16 M   | \$80 M                           | \$21.3 M  | \$106.5 M                      | \$36 M  | \$180 M                        | \$36 M  | \$180 M                          |
| <b>Total<br/>Cost</b> | <b>\$18 M</b>  | <b>\$90 M</b>                    | <b>\$24.3 M</b>   | <b>\$121.5 M</b>               | <b>\$45 M</b>   | <b>\$225 M</b>                 | <b>\$68.75 M</b>                                      | <b>\$343.75 M</b>                |

1. All figures are in current dollars and do not factor in inflation. 2. Assumes affordable units primarily serving households at up to 60% AMI and an average estimate of leveraged funding availability based on city and ARCH history of affordable housing investment. On a per project basis, leveraged funding capacity is expected to decrease as the number of created units increases (see Appendix 6). 3. Since the inception of ARCH, Bellevue's annual contribution to affordable housing has averaged between \$900,000 and \$1,000,000. Of that amount, the City budget has typically included \$412,000 (\$312,000, General Fund; \$100,000, General Sales Tax Revenue) from the operating fund. The remainder is not within the city's control and the amount fluctuates annually depending on funds collected from loan repayments, CDBG funds, and payments for fee-in-lieu of providing affordable housing. 4. Assumes 1,450 units serving households at up to 60% AMI and local city funding at an average of \$225,000/unit; and 100 units serving households at up to 80% AMI and city funding at an average of \$175,000/unit. **Source:** City of Bellevue, ARCH. (Appendix 6)

## Strategy E: Actions



### E-1. Tap additional local sources to dedicate more funding to affordable housing (e.g. reallocation of general fund and/or REET, increase of property tax and/or business & occupation tax, bonds)

In initial feedback, the Council has indicated an interest in setting a funding target in the range delineated by Scenarios 2 (\$1.5M/year) and 3 (\$4.5M/year) in Table 1, for added funding of up to \$3M annually. This action does not obligate the City to an increase in funding; however, it does provide for a phased approach that allows Council to consider when and whether to increase the City's contribution to affordable housing. The recommendation retains current city policy and funding levels (approximately \$1.5M annually) at this time with the option of increasing the amount over time to reflect the growing need and to maximize leverage of outside sources. Actions involving funding of specific programs would be considered during regular budget discussions in the context of city revenues and priorities at that time.

The timing and consideration could be based on progress of implementation, the broader context of overall city priorities, and availability of additional funding from King County affordable housing sources (e.g. Veterans and Human Services Levy renewal in 2017, possible county sales tax increase or affordable housing levy in 2018).

There are generally three ways to fund city projects and programs:

1. **Reduce or prioritize expenditures in the operating or CIP budgets** - Expenditure budgets are set through Council action generally through the biennial budget process with some revisions through the mid-biennial update;
2. **Utilize reserves** - Use of reserves is a onetime option for funding onetime costs; or
3. **Increase revenues** - Many sources or combinations of sources can be considered by the Council to increase revenues, implemented either through voted measures or council direction. Two options for potential revenue sources as related to affordable housing are discussed below. Any option for increasing resources would require further discussion by Council and public outreach.

The following funding tools illustrate some options for increasing Bellevue's investment in affordable housing. State law allows cities, with voter approval, to collect an additional regular property tax levy of up to \$0.50 per \$1,000 of assessed value to finance affordable housing for low-income households. Table 2 (on the following page) illustrates additional funding levels within the range delineated by Scenarios 2 and 3 in Table 1. For example, a \$0.0405 voted levy rate would raise \$2M per year in additional funds and cost \$28 per year on a \$687,000 home in Bellevue (2017 median value per King County Assessor). To raise an additional \$3M per year would require a levy rate of \$0.0608 and cost \$42 per year on a median value home in Bellevue.

Another potential option for increasing revenues for affordable housing is an increase in the business and occupation tax (B&O). To fund an additional \$2M per year, the B&O tax would increase by 0.0083%. This would impact a business with \$1M of annual gross receipts by about \$83 per year. The additional \$3M funding level would require an increase to the B&O tax rate of 0.0042% (for a total increase of 0.0125%). This would impact a business with \$1M of annual gross receipts by about \$125 per year.

Three cities in Washington (**Seattle**, **Bellingham**, and **Vancouver**) use housing levies as a reliable and flexible source of funding for affordable housing.

**Seattle** housing levies, passed in 1986, 1995, 2002, 2009 and 2016, have created over 12,500 affordable apartments, provided emergency rental assistance to 6,500 households, and assisted 800 families to purchase their first homes (City of Seattle, 2016). The 2016 levy will generate \$290 million over 7 years with the goal of producing and preserving 2,150 affordable apartments.

**Bellingham's** levy, passed in 2012, imposes a 36-cent tax on every thousand dollars of assessed property value and is projected to generate \$21 million over seven years.

**Vancouver** passed a housing levy in November 2016, taxing property owners 36 cents per \$1,000 of assessed value. The levy is expected to raise \$6 million per year and will last for seven years.



## STRATEGY E

Table 2. Funding Approaches

| Components (per year)                                    | Current Funding Existing Policy | \$2M Increase Over Current Funding | \$3M Increase Over Current Funding |
|--|---------------------------------|------------------------------------|------------------------------------|
| Historic Funding*  | approx. \$1M                    | approx. \$1M                       | approx. \$1M                       |
| Added to 17-18 Adopted Budget/<br>17-23 Adopted CIP Plan | \$0.5M                          | \$0.5M                             | \$0.5M                             |
| Additional Funding                                       | N/A                             | \$2M                               | \$3M                               |
| <b>Total City Funding Per Year</b>                       | <b>\$1.5M</b>                   | <b>\$3.5M</b>                      | <b>\$4.5M</b>                      |
| <b>Total City Funding per Biennium</b>                   | <b>\$3M</b>                     | <b>\$7M</b>                        | <b>\$9M</b>                        |
| <b>Total City Funding - Full 10 Year Strategy</b>        | <b>\$15M</b>                    | <b>\$35M</b>                       | <b>\$45M</b>                       |

\* Fluctuates based on repayment of loans funded through ARCH

E-1 provides funding to support other actions, including actions A-1, C-1 and C-2. As described under these actions, the estimated new affordable units is:

A-1: 250 -500 at up to 50/60% AMI and 250 - 500 at 50/60% - 80% AMI

C-1: 125 - 565 at up to 50/60% AMI and 60 - 460 at 50/60% - 80% AMI

C-2: 135 - 220 at up to 50/60% AMI and 65 - 130 at 50/60% - 80% AMI

*Action E-1: Policy trade-offs and other considerations identified by the TAG*

| Advantages   | Disadvantages  |
|--|--|
| <ul style="list-style-type: none"> <li>• Produces more affordable housing than city could fund alone</li> <li>• Donated land helps to address these costs</li> <li>• Generates more city funding which Council can use to target specific needs</li> </ul> | <ul style="list-style-type: none"> <li>• Limited amount of funds that can be leveraged</li> <li>• There are no additional sources of funds to leverage and reduce city's contribution beyond about 1,000 units</li> <li>• Opposition to increased taxes</li> </ul> |

## E-2. Pursue funding partnerships with employers, financial institutions, foundations, and others.

This action seeks opportunities to build on relationships with existing partners and to form new, innovative relationships with non-traditional partners in the creation of workforce and other affordable housing. This approach has worked successfully in other high-cost areas such as Silicon Valley. The objective of this action is to explore ways employers, foundations or other organizations can support affordable housing targeted to a specific income-qualified group (e.g. company employees) and/or contribute in financial or other ways to the overall affordable housing needs of the Bellevue community.

This action will also explore additional opportunities to partner with the King County Housing Authority, one of the City's long-term partners. For example, the Housing Authority has proposed linking the City's zoning incentives for the creation of housing affordable at 80% AMI with the use of Section 8 vouchers administered by the Housing Authority. The coupling of these two programs could drive rents to deeper affordability levels than could be achieved by market incentives alone. This is an intriguing concept of bridging market incentives with direct public subsidies. The details of such a partnership would need to be developed through the implementation work plan. This could be tied to action C-4 as well.

*Action E-2: Policy trade-offs and other considerations identified by the TAG*

| Advantages   | Disadvantages  |
|--|--|
| <ul style="list-style-type: none"> <li>• Opportunity to tap additional techniques and funding sources for producing affordable housing</li> <li>• May be able to better target specific needs related to sectors of greatest job growth</li> </ul> | <ul style="list-style-type: none"> <li>• Few affordable housing program models with public and employer or other private partners</li> </ul> |

## E-3. Advocate for legislative actions that expand state and local funding tools.

This action would advocate for legislative action in two different ways: (1) legislation to increase the housing dollars from the state, such as increased funding for the State Housing Trust Fund, and (2) legislation that grants cities additional tools to produce more affordable housing, such as a tax on the sale of real estate or tax exemptions for existing affordable housing.

*Action E-3: Policy trade-offs and other considerations identified by the TAG*

| Advantages   | Disadvantages   |
|--|---|
| <ul style="list-style-type: none"> <li>• A variety of tools gives city flexibility in how to increase revenues and can provide greater stability in funding over time</li> </ul> | <ul style="list-style-type: none"> <li>• Opposition to generating additional funding authority</li> </ul> |

Bellwether Housing launched an impact investing initiative in **Seattle** to raise low-cost debt for affordable housing. The program's first offering in 2015 raised \$1.8 million from 22 investors to rehabilitate the Parker Apartments in Seattle's Queen Anne neighborhood. The building's 50 units provide access to a high-opportunity neighborhood to households earning 30-60% AMI.

Two **Seattle** employers – the University of Washington and Seattle Children's Hospital – partnered with Security Properties to develop a 184-unit housing complex in the University District. UW provided the site, Children's provided a portion of the development capital, and Security Properties built and managed the project. The project has an agreement to rent to UW and Children's employees, though occupancy by employees has been limited.

*This page intentionally left blank*

# Implementation

With its first articulated Affordable Housing Strategy in place, the city has established a framework for aligning efforts across the city, coordinating with partners, and measuring progress.

Every three to five years, the city will prepare a report that evaluates the AHS progress toward the performance objectives and affordable housing production goals. This report will identify areas of focus for the coming three to five years. Short-term action items will be selected and pursued as current year priorities. These priorities will be communicated to stakeholders, including partners who will work together with the city to advance its strategy.

To support an effective implementation program, this section includes:

- A comprehensive listing of specific tasks, responsibilities for leading and supporting the tasks, resource requirements, and partnership opportunities (Table 3). This table will also support the city's budgeting and implementation processes, and provide a mechanism for assessing progress and maintaining accountability.
- A timeline for implementation of the specific actions identified in this report (Figure 1).
- Examples of how selected actions could be implemented using case studies that incorporate existing organizations, resources and conditions specific to Bellevue.

## IMPLEMENTATION

Table 3. Implementation

| Action  | Next Steps   | Timeline  | Depts <sup>1</sup>               |
|---|--|-----------|----------------------------------|
| <b>Strategy A: Help People Stay in Affordable Housing</b> |  |           |                                  |
| A-1   | Partner with non-profit organizations and housing agencies to fund the purchase of existing, affordable multi-family housing to preserve it for the long term. | 2017-2018 | FIN<br>PCD<br>DSD<br>PCS<br>ARCH |
| \$  | <i>Requires additional city funding, see Action E-1</i>  |           |                                  |
| A-2   | Advocate for state legislation to extend property tax exemptions to existing multi-family properties that agree to set aside some apartments as affordable.    | 2018-2019 | CMO<br>PCD<br>FIN<br>ARCH        |
| A-3   | Promote programs that provide social and physical support to help seniors and disabled people remain in their homes.   | 2019      | PCD<br>PCS                       |
| A-4   | Increase funding and expand eligibility for the city's home repair and weatherization programs.  | 2018-2019 | PCS<br>FIN                       |
| \$  | <i>Requires additional city funding, see Action E-1</i>  |           |                                  |
| A-5   | Promote energy efficiency in design and construction of affordable units to reduce costs for residents.  | 2018-2019 | DSD<br>PCD<br>UTIL               |
| \$  | <i>Requires additional city funding, see Action E-1</i>  |           |                                  |

1. ARCH = A Regional Coalition for Housing; CAO = City Attorney's Office; CMO = City Manager's Office; CSD = Civic Services Department; DSD = Development Services Dept.; FIN = Finance Dept.; PCD = Planning & Community Development Dept.; PCS = Parks & Community Services Dept.; TR = Transportation Dept.; UTIL = Utilities Dept.

| Action  | Next Steps  | Timeline   | Depts <sup>1</sup>              |
|---|---|--|---------------------------------|
| <b>Strategy A: Help People Stay in Affordable Housing (continued)</b> |   |  |                                 |
| A-6   | Promote existing utility rate relief, utility tax relief, and property tax relief programs for income-eligible residents. | <ul style="list-style-type: none"> <li>• Work with city utilities, PSE &amp; King County to develop message &amp; promotional campaign</li> <li>• Work with utility providers to implement early warning intervention before residents lose services or housing</li> <li>• Identify additional funding, if any, needed for City's programs</li> <li>• Submit 2019 - 2020 budget proposal, if needed</li> </ul> | 2018-2019<br>CMO<br>FIN<br>UTIL |
| <b>Strategy B: Create a Variety of Housing Choices</b>                |   |  |                                 |
| B-1   | Encourage micro-apartments around light rail stations through actions such as reduced parking requirements.               | <ul style="list-style-type: none"> <li>• Convene stakeholder working group to identify code changes, including appropriately sized parking</li> <li>• Work with communities to evaluate and address impacts as needed</li> <li>• Draft code changes</li> <li>• Planning Commission &amp; Council review &amp; action</li> </ul>  | 2018-2019<br>DSD                |
| B-2   | Update accessory dwelling unit standards and allow detached units in self-selected neighborhoods.                         | <ul style="list-style-type: none"> <li>• Convene stakeholder working group to identify concerns &amp; ways to address</li> <li>• Draft code changes</li> <li>• Planning Commission &amp; Council review &amp; action</li> <li>• Review and implement through neighborhood planning program when supported by neighborhoods</li> </ul>  | 2019-2020+<br>DSD<br>PCD<br>CAO |
| B-3   | Promote design in affordable units that ensures accessibility for all ages and abilities (e.g. "universal design").       | <ul style="list-style-type: none"> <li>• Identify current standards &amp; potential changes</li> <li>• Convene stakeholder working group to recommend building code changes (for example, Bellevue Network on Aging)</li> <li>• Draft building code changes</li> <li>• Council action</li> </ul>   | 2018-2019<br>DSD<br>CAO         |
| B-4   | Consider changes to the down payment assistance program for low-income and first time homebuyers.                         | <ul style="list-style-type: none"> <li>• Consider review by ARCH Citizens Advisory Board</li> <li>• Research similar programs, including separate from current state program</li> <li>• Propose changes &amp;/or new program, including additional partners</li> <li>• Amend existing and/or implement new program</li> </ul>  | 2018-2019<br>PCD<br>ARCH        |

## IMPLEMENTATION

| Action  | Next Steps  | Timeline  | Depts <sup>1</sup>                     |
|---|---|-----------|--|
| <b>Strategy C: Create More Affordable Housing</b> |   |           |  |
| C-1   | Increase development potential on suitable land owned by public agencies, faith-based and non-profit housing entities for affordable housing.   | 2017-2020 | PCD<br>CAO<br>ARCH                     |
| \$  | Requires additional city funding, see Action E-1  |           |  |
|   | <ul style="list-style-type: none"> <li>• Refine screening criteria to identify potential properties (e.g. adjacent land uses)</li> <li>• Contact faith-based property owners to gauge interest in affordable housing with or without change in zoning</li> <li>• Contact non-profit housing providers about properties with potential for redevelopment with or without change in zoning</li> <li>• Compile list of interested properties, including surplus public properties (non-park assets)</li> <li>• Conduct public outreach program</li> <li>• Process comprehensive plan amendments &amp; rezones (in groups or individually)</li> </ul> |           |  |
| C-2   | Develop affordable housing on suitable surplus public lands in proximity to transit hubs.   | 2017-2023 | CMO<br>CSD<br>CAO<br>PCD<br>TR<br>UTIL |
| \$  | Requires additional city funding, see Action E-1  |           |  |
|   | <ul style="list-style-type: none"> <li>• Continue working with Sound Transit on ensuring transit-oriented development at BelRed stations includes affordable housing (including the OMFE and 130th sites)</li> <li>• Coordinate with city departments and other public and quasi-public entities to identify surplus land with potential for affordable housing</li> </ul>  |           |  |
| C-3   | Update existing tax exemption programs for affordable housing to increase participation by developers of new housing.   | 2017-2018 | PCD<br>ARCH<br>FIN<br>CAO              |
|   | <ul style="list-style-type: none"> <li>• Review existing program relative to other cities</li> <li>• Convene stakeholder working group to review possible changes</li> <li>• Draft amendments</li> <li>• Council review &amp; action</li> <li>• Develop program to inform and promote MFTE to developers</li> </ul>   |           |  |
| C-4   | Inclusionary zoning: Increase zoning as an incentive to provide affordable units in new development.  | 2017-2020 | PCD<br>DSD<br>CAO                      |
|   | <ul style="list-style-type: none"> <li>• Compile report of research &amp; direction to date from CACs, Council, ULI, etc.</li> <li>• Work with KCHA to explore ways to integrate Section 8 vouchers into incentives to deepen affordability</li> <li>• Draft code amendments</li> <li>• Planning Commission &amp; Council review &amp; action</li> <li>• Develop a program to inform and promote incentives to developers</li> </ul>  |           |  |
| C-5   | Reduce costs of building affordable housing (e.g. code amendments, lower fees, reduced parking, city-funded street improvements).   | 2018-2020 | DSD<br>PCD<br>CAO                      |
| \$  | Requires additional city funding, see Action E-1  |           |  |
|   | <ul style="list-style-type: none"> <li>• Identify current standards &amp; potential changes</li> <li>• Convene stakeholder working group to recommend code changes</li> <li>• Draft code changes</li> <li>• Planning Commission &amp; Council review &amp; action</li> <li>• Develop a program to inform and promote changes to developers</li> </ul>   |           |  |

| Action  | Next Steps   | Timeline  | Depts <sup>1</sup>                             |
|---|--|---|--|
| <b>Strategy D: Unlock Housing Supply by Making it Easier to Build</b>                 |  |   |  |
| D-1   | Revise code to reduce costs and process time for building multi-family housing.  | <ul style="list-style-type: none"> <li>Identify current standards &amp; potential changes</li> <li>Convene stakeholder working group to recommend code changes</li> <li>Draft code changes</li> <li>Identify a demonstration project to evaluate and refine code changes</li> <li>Planning Commission &amp; Council review &amp; action</li> </ul>    | 2018-2019<br>DSD<br>PCD<br>CAO                 |
| D-2   | Advocate for amendments to state condominium statutes to rekindle interest in condominium development.   | <ul style="list-style-type: none"> <li>Coordinate with interest groups to develop a workable proposal</li> <li>Include position in legislative agenda for Council's consideration</li> <li>Council endorses position</li> <li>Work with other advocates to pass legislation</li> </ul>  | 2018-2020<br>CMO<br>CAO<br>PCD<br>DSD          |
| D-3   | Change the city's approach to density calculation in multi-family zones to allow more flexibility in unit size and type.   | <ul style="list-style-type: none"> <li>Identify zones for amendment, analyze potential effects</li> <li>Draft code amendments</li> <li>Planning Commission &amp; Council review &amp; action</li> </ul>   | 2017-2018<br>DSD<br>PCD<br>CAO                 |
| <b>Strategy E: Prioritize State, County, and Local Funding for Affordable Housing</b> |  |   |  |
| E-1   | Tap additional local sources to dedicate more funding to affordable housing (e.g. reallocation of general fund and/or REET, increase of property tax and/or business & occupation tax, bonds). | <ul style="list-style-type: none"> <li>Council direction on level of productivity desired</li> <li>Develop funding program to achieve productivity level</li> <li>Council review &amp; action</li> <li>Voter approval (as needed)</li> </ul>  | 2017-2019<br>FIN<br>CMO<br>CAO<br>PCD<br>ARCH  |
| E-2   | Pursue funding partnerships with employers, financial institutions, foundations, and others.   | <ul style="list-style-type: none"> <li>Convene stakeholder working group to define need &amp; partnership opportunities</li> <li>Work with KCHA to explore ways to employ Section 8 vouchers to deepen affordability</li> <li>Identify next steps &amp; roles</li> <li>Maintain regular communication &amp; coordination of implementation</li> </ul> | 2018-2020<br>CMO<br>PCD<br>PCS<br>ARCH         |
| E-3   | Advocate for legislative actions that expand state and local funding tools.  | <ul style="list-style-type: none"> <li>Coordinate with interest groups to develop a workable proposal</li> <li>Include position in legislative agenda for Council's consideration</li> <li>Council endorses position</li> <li>Work with other advocates to pass legislation</li> </ul>  | 2018-2020+<br>CMO<br>FIN<br>CAO<br>ARCH<br>PCD |

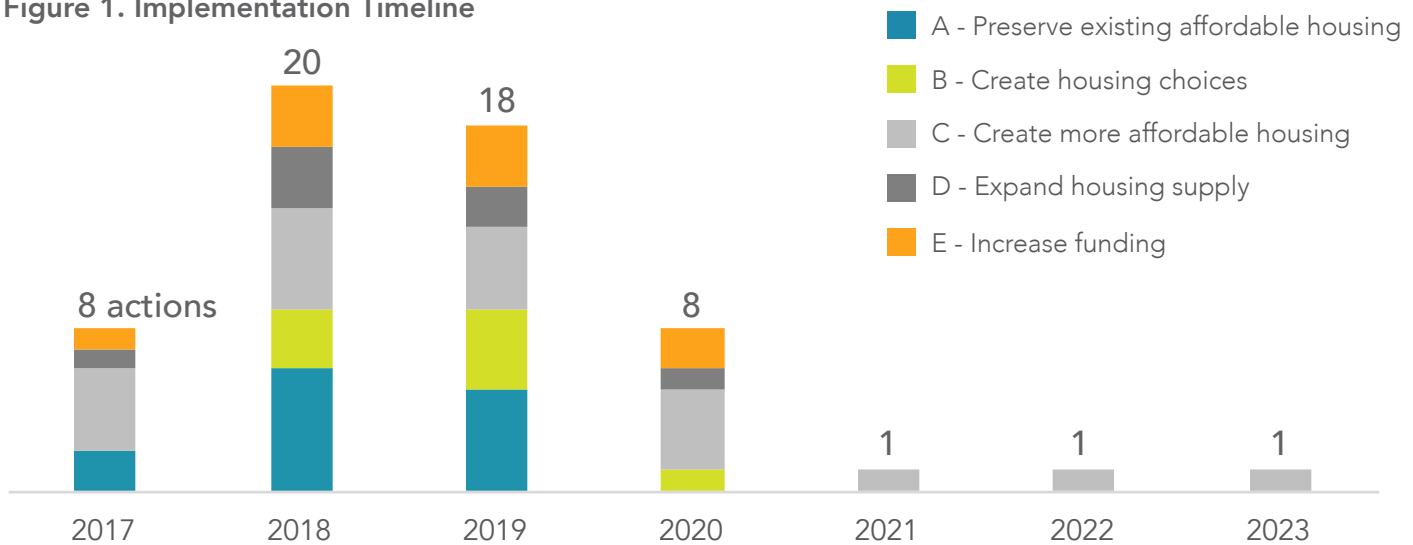


## IMPLEMENTATION

## Implementation Timeline

As described previously, the AHS is intended to substantially increase the city's existing affordable housing stock over the next ten years. In order to achieve this objective, the AHS emphasizes implementation over the next three years. Figure 1 illustrates the anticipated timeframe for implementation of the recommended actions.

**Figure 1. Implementation Timeline**



The King County Housing Authority provides rental housing and rental assistance to more than 18,000 King County households including families, the elderly, and people with disabilities. The KCHA actively acquires properties and builds new housing. Most KCHA properties in Bellevue are existing apartments acquired by KCHA to preserve their affordability.

## Implementation Examples

### Strategy A

**Action A-1. Partner with non-profit organizations and housing agencies to fund the purchase of existing, affordable multi-family housing to preserve it over the long term.**

**Example:** The King County Housing Authority (KCHA) is a regional leader in preserving affordable housing through acquisition and rehabilitation of older multi-family buildings. KCHA's 1,837 units in Bellevue (15 multifamily properties and 8 single family homes) include rent levels for both moderate and low-income renters. This includes 509 low-income, federally subsidized units. KCHA administered Section 8 Housing Choice vouchers serve an additional 830 Bellevue households. Through tenant and project based voucher programs in Bellevue, KCHA provides rent supplements of over \$6 million a year.

In Bellevue, the KCHA has identified several developments that may be at risk for redevelopment to higher cost housing. With the city as a funding partner, the KCHA would work with willing sellers to acquire properties and rehabilitate them for preservation as long-term affordable housing. Through a partnership with KCHA and non-profit organizations an estimated 500 – 1,000 affordable apartments could be preserved.

Likely candidate developments are older buildings located in areas where rents are lower relative to other parts of Bellevue. Following acquisition and depending on specific needs, the KCHA would improve utility systems, modernize buildings, enhance energy efficiency and accessibility, improve grounds, and provide for supportive community services.

As a recent example, the city, KCHA, King County and the state partnered to fund the purchase and preservation of 76 affordable apartments at Highland Village. In this specific case, the property was under contract for purchase by a developer for redevelopment to higher priced townhomes, which resulted in a more challenging negotiation process. As noted by Stephen Norman, KCHA Executive Director, “For a private business to change its plans in response to community concerns and forgo substantial future financial gain is extraordinary.” Implementation of Action A-1 would seek to identify and acquire property in advance of private developer interest and action.

**Next Steps:** As an initial step, the city should bring together the KCHA and non-profit housing organizations to share information and identify potential high priority sites for acquisition. Based on the identified site inventory, additional research should be conducted to assess seller interest, need for site improvements, and estimated costs. Using this information, highest priority sites and key next steps could be identified.

## Strategy B

**Action B-2. Update accessory dwelling unit standards and allow detached units in self-selected neighborhoods.**

**Example:** Many of the cities immediately around Bellevue allow detached accessory dwelling units (ADUs), including Mercer Island, Kirkland, Issaquah, and Newcastle. Similarly, these and other cities provide for greater flexibility in the minimum allowed size of these units. In general, ADUs have been developed in Bellevue at a slower rate compared to these cities and to the Eastside as a whole. Increased flexibility in ADU standards are intended to reduce barriers and increase the production of ADUs in self-selected neighborhoods.



*Photo courtesy of ARCH*

To implement this action, the city would adopt the following land use code amendments:

- 1) Allow detached ADUs on single family lots, subject to zoning standards and where consistent with neighborhood plans. This amendment would activate in neighborhoods that indicate, through their neighborhood plan, support for detached ADUs. Neighborhood consideration of this option could be through a variety of public engagement opportunities, including the upcoming neighborhood area planning process.
- 2) Reduce the minimum allowed ADU size from 300 square feet to 220 square feet to allow for reduced costs and increased affordability.

**Next steps:** The city should prepare proposed code language for inclusion of the updated ADU standards in the Land Use Code. Through the neighborhood area planning or other structured process for communication with all neighborhoods, the city should provide information about detached ADUs, answer questions and help neighborhoods determine their preferred direction.

### Strategy C

**Action C-1. Increase development potential on suitable land owned by public agencies, faith-based and non-profit housing entities for affordable housing.**

**Example:** Downtown Action to Save Housing (DASH) has owned and managed the Glendale Apartments since 1995 (built in 1968) and preserved the affordability at 60% or less of AMI. The complex consists of 82 affordable apartments and one common area unit on approximately 3.7 acres at the northeast corner of NE 8th Street and NE 10th Place. The current density is at the maximum allowed under the existing R20 zoning. The site is well-served by existing and future transit being located on the Rapid Ride "B" line and within a 10 minute walk of the future Wilburton light rail station.

The apartments are going to require substantial capital investment in the next few years to update and prolong their usable life. Before deciding how to proceed with funding for that investment, DASH approached the city about increasing the density on the site through a rezone that would yield about 300 total apartments, or nearly four times the current number. There is already outstanding debt on the site (the loan from Bellevue through ARCH of approximately \$255,000 was repaid in 2006). According to DASH, rezoning the site would allow them to increase the debt load based on their ability to leverage the increased value of the land and the greater cash flow from many more apartments. There is also the question of how the previous funding should be considered in the amortization of the existing apartments that will be demolished and replaced by new apartments with new debt.

**Next Steps:** In order to proceed the city should initiate a comprehensive plan amendment and rezone of the property in coordination with DASH. Concurrently, DASH can proceed with preliminary site planning and funding

inquiries, including working with their existing debt holders, to put together the necessary funding package. This project could also be used to test a project management approach during the permitting phase to facilitate the process.

## Strategy D

### Action D-1. Revise codes to reduce costs and process time for building multi-family housing.

**Example:** One way to reduce costs and process time is to allow for innovative building materials and techniques. An example of innovative building techniques is illustrated by the 47+7 development in Seattle's University District (see right). This technique integrates use of prefabricated component parts -- such as prefabricated structural steel and other building components -- with conventional construction of other elements -- such as utilities, structured parking and foundations. This approach is intended to develop high-quality and high-performance residential housing projects in about half the time and to reduce water and energy use by 50 percent and construction costs by 10 percent for comparable buildings.



*Photo courtesy of CollinsWoerman*

This or other innovative building types, such as modular construction, shipping container architecture, or use of cross-laminated timber, could help reduce costs for multi-family construction. In some cases, changes or exceptions to the Bellevue Building Code may be needed to allow this type of construction. In other cases, amendments to the Washington Building Code and International Building Code may be needed.

**Next Steps:** The city has had initial meetings with representatives of industries working with alternative building materials to gain a better understanding of each type and how it relates to building code requirements. Additional work is needed to ensure the city's building code and development regulations can allow these materials while maintaining the intent of the code and meeting life-safety standards. As part of this assessment, the city may also need to consider whether and how to seek amendments to the state and international building codes in order to facilitate more innovative building measures.

### Strategy E

**Action E-2. Pursue funding partnerships with employers, financial institutions, foundations and others.**

**Example:** Founded in 1978 and currently comprised of over 400 member firms, the Silicon Valley Leadership Group (SVLG) is a well-established and successful model for a public private partnership. The group is based on the premise that local businesses should be actively engaged with government to address tough challenges, such as transportation, housing, land use, education and the environment. With respect to housing, the SVLG has engaged in advocacy and education to generate political will for affordable housing at the local, regional and state levels. Through the Silicon Valley Leadership Group Foundation, the Housing Trust of Silicon Valley has raised \$76 million from public and private sectors to leverage \$1.88 billion for affordable housing.

**Next Steps:** The city should convene a housing summit with interested local community and business leaders to facilitate a discussion of housing need, potential actions and interest in forming ongoing partnerships.

# Chapter 2.

## Housing Need in Bellevue

Bellevue, like other cities in the region, is facing a critical need for more affordable housing. Many of the reasons for this are outside of the city's control. The Puget Sound region is a desirable place to live and Bellevue in particular is often ranked as one of the most livable cities in the country. Bellevue and the region are also benefiting from a strong economy and increasing job growth. These market forces work together to increase demand for housing which in turn increases the cost. It is also worth noting that reductions in state and federal funding of housing programs over the past several years have resulted in fewer new units being created for low and very low income households.

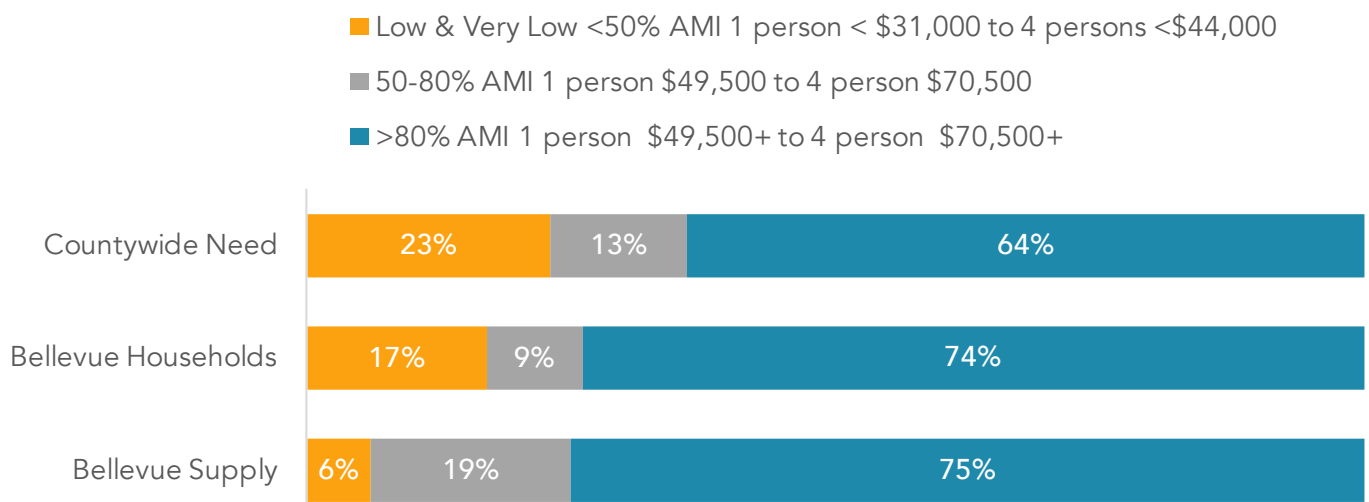
### Housing Need

The City of Bellevue Housing Needs Assessment (Appendix 3) describes the status of housing affordability in the city and the trends that are exacerbating the problem. The following key findings from the report highlight this critical need:

- About half (49%) of Bellevue's work force earns less than \$50,000 year and cannot afford average rental rates in Bellevue.
- Sixteen percent of all renters and almost one third (31%) of all Bellevue households spend more than 30% of their income on housing.

### Figure 2. Affordable Housing Need

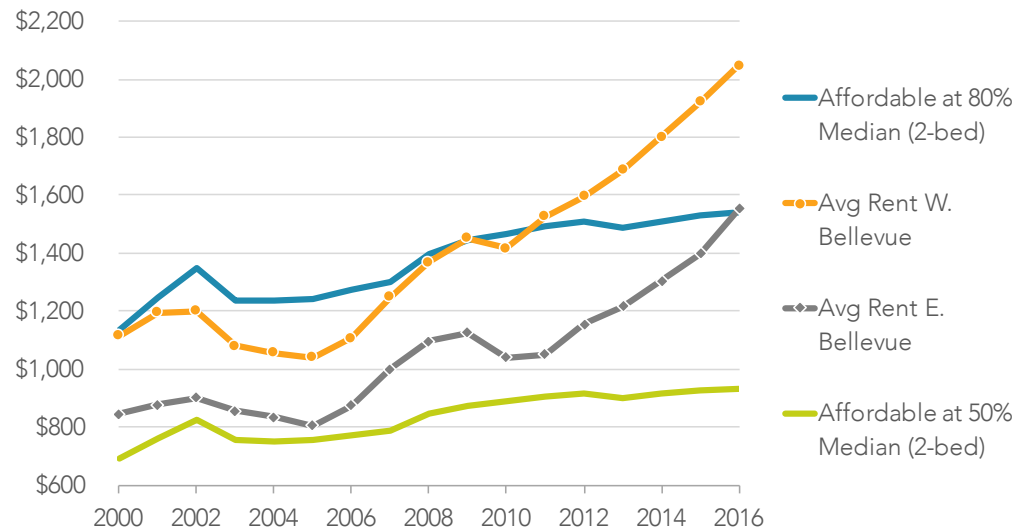
Source: CHAS data based on data from the U.S. Census Bureau, 2008-2012 ACS; King County Median Income for 2014



## 2. HOUSING NEED IN BELLEVUE

**Figure 3. Affordable and Actual Average Rents**

Source: ARCH: HUD King County Median income 2016; Dupre and Scott Apartment Advisors, 2016



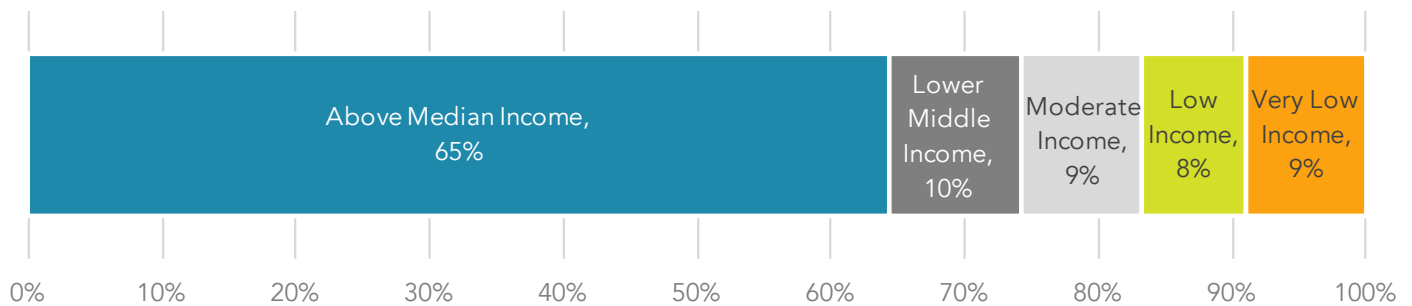
- Almost one third of senior renters spend more than 50% of their income on housing.
- Over 9,100 Bellevue households (17%), or about 22,000 people, have low and very low incomes (i.e. household incomes less than 50% of area median income). There are only 3,095 units (6% of Bellevue's housing supply) affordable to people in these households.
- Rents are continuing to climb and now average over \$2,000 in parts of Bellevue, a historically high level relative to median income. Affordable rents for low and very low income households would be between about \$450 and \$1,000.
- The February 2017 median sales price for a single family home in Bellevue was \$1.04 million, an increase of 33% in one year.
- High home prices in Bellevue are making it difficult to keep ownership costs at 30% of income. Median sales price for a single family home in Bellevue in January 2016 was \$777,500. This would require an annual household income of over \$160,000 to be affordable.
- Production of subsidized affordable housing units has slowed. The annual rate of creating affordable units has been significantly less in the last decade than previous years.

## Household Income

The median family income for King County was \$90,300 in 2016 for a four person household. Using incomes categories based on this area median income (AMI), 65% of Bellevue households earn more than the County area median income.

**Figure 4. The majority of Bellevue households have incomes above county median income**

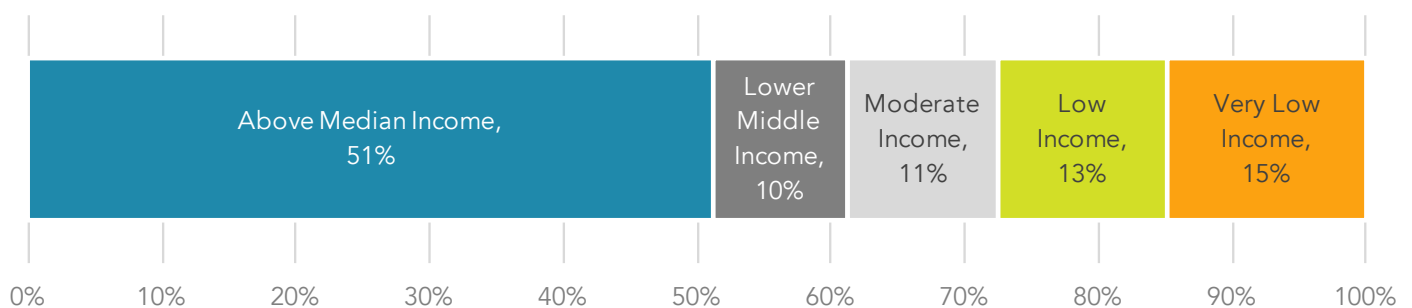
Source: U.S. Census Bureau, 2008-2012 American Community Survey customized for the Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy (CHAS).



The picture changes if only the 12,326 households with at least one person 62 years or older are included. There are higher shares of both very low and low income households reflecting the fact that many senior households are no longer working and living off of fixed retirement income.

**Figure 5. 49% of senior households are at or below 50% of county AMI**

Source: U.S. Census Bureau, 2008-2012 American Community Survey customized for the Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy (CHAS).





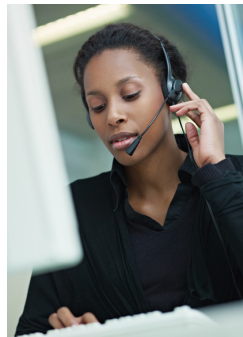
## 2. HOUSING NEED IN BELLEVUE

It should also be noted that a high proportion of Bellevue's workers earn less than the median income. The examples below illustrate the types of employment and related housing affordability for some of the employment categories that earn less than AMI.

### Local workers who make about \$20.00 per hour\*

Workers earning about \$20.00 hour or \$42,000 annually can afford monthly rents of only about \$1,000. A single person earning \$42,000 is earning 60% of area median income, a family of four earning \$42,000 is earning 45% of area median income.

\*Source: WA Employment Security Dept. Workforce Explorer: King County, 2015



Customer Service Representative  
\$18.68 / hour



Bookkeeper  
\$21.21 / hour



Medical Assistant  
\$18.65 / hour

### Local workers who make less than \$15.00 per hour\*

Workers earning less than \$15.00 hour or \$31,000 annually can afford monthly rents of less than \$800. A single person earning \$31,000 is earning 50% of area median income.

\*Source: WA Employment Security Dept. Workforce Explorer: King County, 2015



Barista  
\$11.09 / hour



Grocery Clerk  
\$13.95 / hour



Cook  
\$13.37 / hour

## New Bellevue Residents

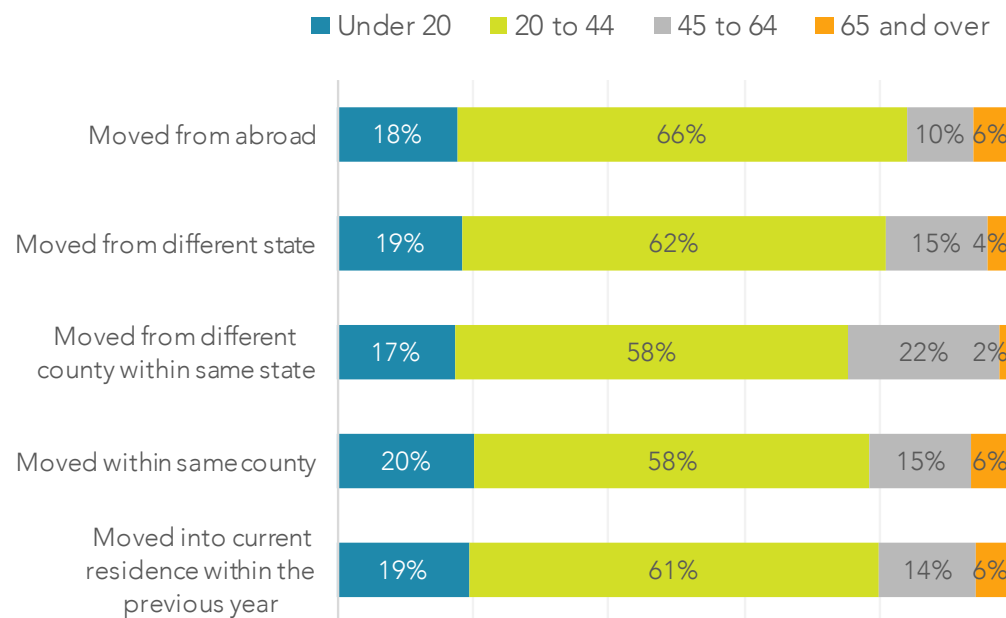
### Who is moving to Bellevue?

People who moved to Bellevue are:

- Younger – the median age of those who moved within the past year was 30.2 compared to 38.5 for the population as a whole.
- More often people of color – About 61 percent of those who moved here within the past year were people of color versus 41 percent of those who lived in the same house a year ago.
- Well educated -- About 72 percent of those who moved here within the past year have a bachelor's degree or higher versus about 61 percent who were in the same house a year ago.
- More well off – People who moved here within the past year have a median individual income of about \$50,644 compared to \$46,369 for those who were in the same house a year ago.
- More likely to rent than own – About 77 percent of those who moved here within the past year are renters compared to about 32 percent of those who lived in the same house a year ago.

**Figure 6. Age distribution: Bellevue residents who have moved in the past year**

Source: U.S. Census Bureau, 2011-2015 American Community Survey



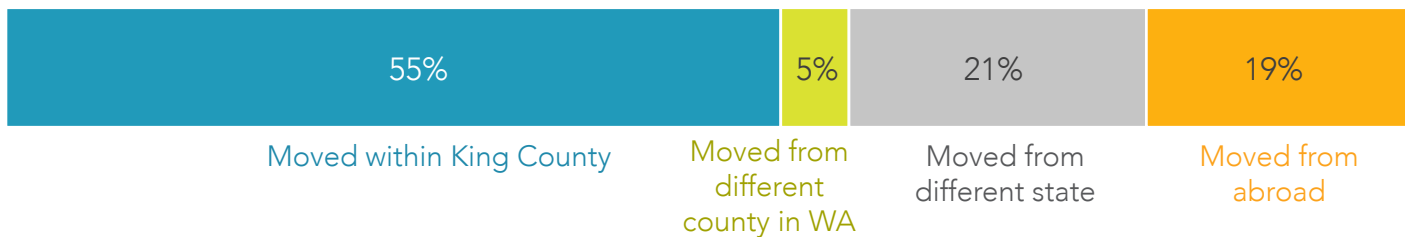
## 2. HOUSING NEED IN BELLEVUE

**Where are people moving from?**

For those moving into their current residence within the past year, 55 percent were moving from within the same county (could also be from within Bellevue), five percent moved from a different county within Washington State, 21 percent moved from a different state and 19 percent moved from abroad.

**Figure 7. Prior residence: Bellevue residents who have moved in the past year**

Source: U.S. Census Bureau, 2011-2015 American Community Survey

**Employment and the Economy**

The lack of affordable housing also impacts the local economy. Respondents to the Bellevue Survey of Businesses (2015) consistently rated Bellevue low on affordable housing options for employees. This was true across all areas of the city and all employment sectors. Businesses identified lack of workforce housing as a primary challenge for Bellevue. Forty-one percent (41%) of all respondents state that they have had difficulty finding trained and qualified staff over the previous 12 months. Retail and tourism indicated having the most difficult time. Half of retail businesses and 60 percent of tourism businesses reported having difficulty finding trained and qualified staff.

# Chapter 3.

## Existing Programs

Although Bellevue does not directly develop housing, it can influence the amount and affordability of housing in many ways. For example, the city can:

- Provide direct financial assistance to housing agencies and non-profits to develop and preserve affordable housing;
- Provide indirect assistance to housing developers, e.g. tax incentives and credit enhancements;
- Adopt regulations and incentives that leverage market development of housing, e.g. increase density, increase flexibility of housing type, or lower development costs;
- Provide assistance to those that need affordable housing, e.g. rental subsidies, home repair, down payment assistance.
- Provide additional public revenues that support affordable housing.

The City of Bellevue currently has a variety of programs to help residents find and maintain an affordable place to live. Table 4 below provides a brief summary of existing city programs, income levels served and housing units produced or households served. For each program, income levels served are listed.

**Table 4. Existing Housing Programs in Bellevue**

| Programs  | Income level served  | Units provided / households served   |
|---|----------------------|--|
| <b>Direct and Indirect Support</b>  |                      |  |
| <b>General Fund Contributions To The Housing Trust Fund</b><br>Through participation in the ARCH Housing Trust Fund, Bellevue assists non-profit affordable housing providers and the King County Housing Authority to construct new affordable housing and acquire and preserve existing affordable housing. | Very low to moderate | Since 1993, new construction or preservation of 3,200 units in East King County, including 1,085 units in Bellevue               |
| <b>Surplus Land Donation</b><br>Bellevue has donated, sold or leased land for four housing projects that include affordable units: Hopelink Place, Habitat Eastmont, Brandenwood Apartments, and Park Highlands at Wilburton Apartments.  | Very low to moderate | 122 units<br><i>(Habitat Eastmont 1 unit, Park Highlands 41 units, Hopelink Place 20 units, Brandenwood Apartments 60 units)</i> |

## 3. EXISTING PROGRAMS

| Programs   | Income level served           | Units provided / households served                              |
|--|-------------------------------|---|
| <b>Direct and Indirect Support (continued)</b>   |                               |   |
| <p><b>Multifamily Housing Property Tax Exemption</b><br/>The Multifamily Housing Property Tax Exemption program (MFTE) is a voluntary program that provides a 12-year exemption from property taxes on the housing portion of new apartment development in exchange for setting aside 20% of units for income-eligible households.</p>   | Low to moderate               | Since 2015, 0 units   |
| <p><b>Transportation Impact Fee Exemption</b><br/>Bellevue exempts transportation impact fees for new low and moderate income housing that agree that the units will remain affordable for the life of the project.</p>  | Low to moderate               | Since the 1990s, 104 units                                      |
| <b>City Regulations and Incentives</b>   |                               |   |
| <p><b>Affordable Housing Density Bonus</b><br/>For multifamily development, Bellevue allows one bonus market-rate unit for each affordable unit provided, up to 15% above maximum density for the applicable zone. For single family development, attached affordable housing duplexes are permitted on single-family lots.</p>  | Moderate                      | Since 1996, 19 units  |
| <p><b>BelRed Incentive For Affordable Housing</b><br/>Development regulations for BelRed establish base and maximum density levels. Maximum density must be earned by providing amenities, including affordable housing, either on site or by paying a fee-in-lieu to the city's housing fund. Affordable housing must be provided before other amenities.</p>   | Moderate                      | Since 2009, 89 units and over \$900,000 in fees                 |
| <p><b>Attached Accessory Dwelling Units</b><br/>An attached Accessory Dwelling Unit (ADU) is an independent residence within an existing single-family home on the same property.</p>  | No affordability restrictions | Since 1993, 155 ADUs registered with the City                   |
| <p><b>Incentive for Small Units for Seniors</b><br/>If less than 600 square feet, senior citizen dwellings, congregate care senior housing and assisted living units are calculated as 0.5 units for the purposes of meeting density requirements. Although not tied to affordability, this incentive contributes to increased affordability by helping to increase the inventory and availability of small units for seniors.</p> | No affordability restrictions | Since 1993, 60 units  |
| <p><b>Reduced Parking Requirement for Small Affordable Units</b><br/>Lower parking requirements can reduce overall construction costs and provide an incentive for the developer to rent or sell the unit at an affordable rate. The City of Bellevue has reduced parking requirements for affordable units in the Downtown and Bel-Red neighborhoods.</p>   | Low                           | In Downtown, 64 units since 1996; in BelRed, 0 units since 2009 |

| Programs  | Income level served           | Units provided / households served   |
|---|-------------------------------|--|
| <b>Assistance to Residents</b>  |                               |  |
| <p><b>Down Payment Assistance Loan Program</b><br/>The ARCH East King County Down Payment Assistance loan program provides down payment loans for borrowers purchasing a home or condominium in an ARCH member city.</p>  | Moderate                      | Since 2005, 65 ARCH households served, including nine in Bellevue                              |
| <p><b>Home Repair Program</b><br/>The Bellevue Home Repair loan programs and Emergency and Weatherization grant programs provide single family home owners with zero-interest loans and grants for health- and safety-related repairs.</p>  | Varies, very low to moderate  | About 30 households served per year  |
| <p><b>Utility Rate and Tax Assistance</b><br/>The city offers qualified residents relief on their utility costs and taxes for water, wastewater and drainage.</p>   | Very low to low               | About 1,200 households served per year by each program   |
| <p><b>Foreclosure Counseling/Foreclosure Fairness Program</b><br/>The Foreclosure Fairness Program provides homeowner foreclosure assistance by offering free housing counseling, civil legal aid, and foreclosure mediation. The Bellevue Mediation Program administers the program.</p>   | No affordability restrictions | When launched in 2011, about 40 households annually; currently about four households annually. |
| <p><b>Support for Service Agencies through Human Services Fund</b><br/>Bellevue serves human service needs through planning, facilitating and funding programs to meet citizen needs. On a citywide basis, Bellevue supports a network of services that cover a broad spectrum of needs, including food security, homeless/housing support services; mental health; health; substance abuse; child care; employment training; domestic violence; emergency financial assistance; transportation; and other needs.</p> | Very low to moderate          | Not applicable   |

## 3. EXISTING PROGRAMS

| Programs   | Income level served  | Units provided / households served                 |
|--|----------------------|--|
| <b>Support for Additional Housing Resources</b>  |                      |  |
| <p><b>ARCH Coordinating Public Resources</b><br/>ARCH assists member jurisdictions in developing housing policies, strategies, programs, and development regulations; coordinates the cities' financial support to groups creating affordable housing; and assists people looking for affordable rental and ownership housing.</p>   | Very low to moderate | As described for individual programs in this table |
| <p><b>Partnership with Sound Transit on Affordable Housing in BelRed</b><br/>Sound Transit and the City of Bellevue are partnering to provide for compact, mixed use and walkable centers at the Sound Transit Operations and Maintenance Facility and the 130th Station Area in the BelRed neighborhood. Transit-oriented development (TOD) at both of these locations will include affordable housing.</p> | To be developed      | To be developed                                    |
| <p><b>Land Banking for Equitable TOD</b><br/>The Regional Equitable Development Initiative (REDI) TOD Fund supports acquisition of land and buildings within walking distance of high capacity transit for development and preservation of affordable housing. As of 2015, \$18 million was pledged to REDI, including \$250,000 from City of Bellevue.</p>  | Low and moderate     | To be developed                                    |

## Impact of Existing Programs

Table 5 provides an overview of the number of new or preserved affordable housing units created in Bellevue between 1993 and 2012. During this period, an annual average of about 50 new or preserved units for households earning less than 50% AMI and about 105 new or preserved units for households earning between 50% and 80% AMI were created. It is noteworthy that, on an annual basis, significantly more units were created during the 1993 – 2002 time period compared to the 2003 – 2012 time period. Between 2003 and 2012, the annual average for new or preserved units for households earning less than 50% AMI was only about 20; and for households earning between 50% and 80% AMI was only about 50. The difference between these two time periods reflects the fact that funding for affordable housing has not kept pace with increasing rental and construction costs.

**Table 5. New Affordable Housing Created or Preserved in Bellevue, 1993 - 2012**

Note: Incentives include approved permits for accessory dwelling units, density bonuses, etc.  
Source: ARCH and City of Bellevue

| Period                 | Low Income (less than 50% Area Median Income) |                       |          |            |                | Moderate Income (50% – 80% Area Median Income) |                       |              |              |                |
|------------------------|---|-----------------------|----------|------------|----------------|--|-----------------------|--------------|--------------|----------------|
|                        | Direct Assistance                             | Regulatory Incentives | Market   | Subtotal   | Annual Average | Direct Assistance                              | Regulatory Incentives | Market       | Subtotal     | Annual Average |
| 1993-2002              | 754   | 0                     | 8        | 762        | 76             | 506  | 369                   | 686          | 1,561        | 156            |
| 2003-2012              | 185   | 0                     | 0        | 185        | 19             | 38   | 44                    | 453          | 535          | 53             |
| <b>Total 1993-2012</b> | <b>939</b>                                    | <b>0</b>              | <b>8</b> | <b>947</b> | <b>47</b>      | <b>543</b>                                     | <b>413</b>            | <b>1,139</b> | <b>2,095</b> | <b>105</b>     |

## Effective Practices in Other Jurisdictions

Cities across the country seek effective tools to build affordable housing. They introduce incentives and regulations, deploy funds, donate public land, and build partnerships with private and nonprofit entities. While each community is different, conversations about the tradeoffs within affordable housing strategies are the same: How do you increase density without overcrowding or changing a neighborhood's character? Should developers be required or incentivized to build affordable units? How do you reduce building costs but maintain quality? While there is no shortage of effort, there is a shortage of results: no city claims to have solved the puzzle of affordable housing development, and limited research examines the relative effectiveness of strategies and tools.



### 3. EXISTING PROGRAMS

---

The vast majority of strategies employed by communities across the country are either currently used by Bellevue, or are under consideration for Bellevue's AHS. Numerous cities, for example, have introduced inclusionary zoning to mandate specified percentages of affordable units in new development or payment of fees. Calibration depends on the area's objectives: Arlington County, Virginia, determined they could leverage fees to increase the number and longevity of affordable units; while in Boulder, Colorado, program incentives are calibrated to encourage developers to produce affordable units within new developments rather than pay fees. Other cities offer tax exemptions or density bonuses to incentivize affordable units in new developments.

Many cities have revised regulations to allow alternative forms of housing, such as accessory dwelling units (ADUs) or micro apartments. Portland, Oregon, for example, waives system development charges for ADUs. New York City held a design competition for development of micro apartments and developed the winning design on city-owned land. Other cities, such as Seattle and Portland, are considering changes to zoning rules to allow additional density, in the form of multi-family housing or duplexes and triplexes in specific neighborhoods. In addition to regulation changes, cities can reduce development costs through reduced parking requirements, streamlined permit approval processes, or introduction of less expensive building materials.

**Velocity** is a 58-unit affordable housing apartment complex developed at the South Kirkland Park and Ride, on land owned by King County. Offering studios and 1-3 bedroom units affordable up to 60% AMI, energy-efficient design, community space and other amenities, Velocity is an example of an affordable transit-oriented development on public land. Imagine Housing developed the affordable housing, and private developer Polygon developed market-rate units in a separate building above a shared parking garage.

As the affordable housing crisis grows, creative solutions emerge. In King County, for example, a 58-unit housing complex, Velocity, was developed at the South Kirkland Park and Ride on county-owned land. More recently, cities have expanded funding through partnerships with local employers and private investors. For example, Seattle's Bellwether Housing launched an impact investing initiative to raise low-cost debt for affordable housing. The program's first offering in 2015 raised \$1.8 million from 22 investors, who in turn receive a modest return on their investment. In Silicon Valley, large employers such as Facebook and Google have begun contributing to affordable housing. In Washington State, three cities (Seattle, Bellingham, and Vancouver) raised funds using property tax levies. Other cities (including Portland, Oakland, and Nashville) introduced taxes on short-term rentals.

No one-size-fits-all solution exists. Each tool lends itself to production of housing at different levels of affordability, so communities need a robust set of solutions to meet citizens' varied housing needs. Finally, a tool's effectiveness may change over time. It is therefore critical that leaders continuously evaluate and adapt their affordable housing strategies.

For additional information about effective practices elsewhere, please see Appendix 4.

# Chapter 4.

## Developing the Strategy

Development of the Affordable Housing Strategy was informed by City Council guidance, adopted Comprehensive Plan policies, public input, and the Technical Advisory Group.

### Council Guiding Principles

The City Council initiated the Affordable Housing Strategy planning process in December 2015. Guiding principles provided by the Council established overall project direction and priorities for the planning process, as listed on the following page.

### Comprehensive Plan

Additional project guidance is provided by the city's Comprehensive Plan, which establishes a framework from which to identify specific programmatic actions for affordable housing. Policy guidance is primarily focused in the Housing Element, but is also found in the Economic Development Element (see following page).

These policies are foundational to the AHS, as are the broad goals of the Comprehensive Plan Housing Element and the Foundational Strategies from the city's Economic Development Plan:<sup>2</sup>

#### *Comprehensive Plan Housing Element*

- Preserve neighborhood quality
- Expand the overall housing supply
- Maintain and increase affordable housing
- Attend to special housing needs of individuals
- Prevent discrimination in housing
- Promote walkable, sustainable neighborhoods.

#### *Economic Development Plan*

- Encourage a variety of housing choices within the city
- Continue to make Bellevue a great place to live and visit

Together, these provide a policy foundation for the implementation, monitoring and adjustments of the AHS over the next ten years.

2. City of Bellevue Economic Development Plan (July 7, 2014) identified Foundational Strategies as essential for a well-functioning community and high quality of life for Bellevue residents and businesses.

## 4. DEVELOPING THE STRATEGY

### City Council Guiding Principles

The Affordable Housing Strategy is a focused effort and action plan to develop an effective strategy and performance that will advance affordable housing opportunities throughout the city. The following Principles provide further direction to guide this work.

1. **Recognize that the City has a sizeable affordable housing problem** and we are committed to addressing our local challenges and become a regional leader in the affordable housing effort.
2. **Identify needs.** Identify Bellevue's affordable housing needs in terms of specific target populations based on available data, such as the Needs Assessment.
3. **Focus on Action.** This effort will build from the strong policy base already in place in the Comprehensive Plan, and be action-oriented, advancing additional tools and strategies that will produce effective results.
4. **Establish ambitious goals.** While the affordable housing challenge is daunting, this effort will establish ambitious goals to address local need.
5. **Build upon ongoing and recent tools the City has developed while strengthening partnerships with relevant organizations.** This work will build upon the solid foundation established by the City's long-running participation with ARCH and include partnerships with other established organizations (and funding sources) dedicated to affordable housing, including recent developments such as the MFTE, BelRed TOD and changes in the BelRed FAR incentives, among others.
6. **Draw upon knowledgeable resources.** This process shall draw upon the knowledge base of experts that have a solid understanding of the tools that will have the greatest impact.
7. **Consider a full suite of tools.** In order to make a significant change the city will consider a full range of action strategies and possible partnerships to achieve our affordable housing goals.
8. **Tailor affordable housing approaches to different areas of the City.** Needs will be addressed at a neighborhood level through the subarea planning process, as opposed to a "one size fits-all" approach.
9. **Leverage resources.** Maximize impact of direct assistance by leveraging other public and private resources and/or combining with incentive programs.
10. **Monitor results and adjust as needed.** Establish performance measures that will monitor quantity, types and affordability of housing achieved and the effectiveness of new strategies to address our needs so that future course corrections may be taken as needed.
11. **Ensure robust public outreach and engagement.** Outreach and communication tools assure a transparent process that will allow all members of the community to engage and shape the recommended strategies.

## Affordable Housing in the Comprehensive Plan

### *Housing Element*

HO-21. Address the entire spectrum of housing needs, including the need for housing affordable to very low, low, and moderate income households, through the city's affordable housing programs.

HO-22. Work cooperatively with King County, A Regional Coalition for Housing (ARCH), and other Eastside jurisdictions to assess the need for, and to create, affordable housing.

HO-23. Encourage the development of affordable housing through incentives and other tools consistent with state-enabling legislation.

HO-24. Develop and implement an effective strategy to ensure affordable housing opportunities are available in Downtown and throughout the city at a range of affordability levels. Monitor quantity, types, and affordability of housing achieved for potential unintended consequences and to determine if the need is being met.

HO-25. Provide funding to support housing need, especially for low and very low income households. Assess housing fund guidelines on a regular basis to ensure they are consistent with changing community needs and priorities.

HO-26. Provide incentives and work in partnership with not-for-profit and for-profit developers and agencies to build permanent low- and moderate-income housing.

HO-27. Encourage preservation, maintenance and improvements to existing affordable housing.

HO-28. Explore all available federal, state, and local programs and private options for financing affordable housing.

HO-29. Explore financial incentives to encourage affordable housing, such as partial exemptions from city permit fees, the state property tax exemption program and other state enabled programs.

HO-30. Ensure that all affordable housing created in the city with public funds or by regulation remains affordable for the longest possible term.

HO-31. Participate in relocation assistance to low-income households whose housing may be displaced by condemnation or city-initiated code enforcement.

HO-32. Evaluate surplus city land for use for affordable housing.

### *Economic Development Element*

ED-16. Encourage development of a range of housing opportunities to accommodate Bellevue's growing workforce

## 4. DEVELOPING THE STRATEGY

---

### Technical Advisory Group

An overarching objective of the AHS is to provide a safe, healthy and affordable place to live for people of all income levels in order to sustain Bellevue's livability and economic vitality. To assist in the development of this AHS, the Mayor appointed a Technical Advisory Group (TAG) and charged them to:

- Refine a list of potential actions designed to increase the amount and type of affordable housing available in Bellevue;
- Provide guidance on developing an evaluation tool that will assess the effectiveness of these actions; and
- Offer insights about how these actions could be effectively implemented in Bellevue.

As established by the City Council, the TAG's primary focus was on a technical analysis of the feasibility and efficacy of the potential actions; the TAG was not asked to provide a policy recommendation on a preferred approach. In keeping with their role as technical experts, TAG members were appointed based on their specific background and technical understanding of housing, financing, development and affordable housing issues.

Between May 2016 and April 2017, the TAG met over ten times. Their meeting time focused on the following:

- Existing City of Bellevue housing affordability programs and effective practices in other jurisdictions nationally (see appendices 1 and 4).
- Public input and comments received through the public engagement process described on page 64.
- Review, refinement, and prioritization of potential actions. As established by the charge from the City Council, the majority of the TAG time was focused here and included an in-depth technical analysis of potential actions.
- Identification of bold actions that have the greatest potential to produce more affordable housing.
- Guidance for potential evaluation criteria to be used to consider the efficacy of actions.
- Policy trade-offs and other issues for City Council consideration.
- Guidance on a final report for transmittal to City Council.

## Technical Analysis

To support the TAG's work, city staff and the consultant team analyzed the range of actions for each strategy, including legal considerations, coordination with existing programs, administrative ease, fiscal considerations, public/stakeholder support, and consistency with Council guiding principles. In order to develop the estimates of unit production, affordability level, and public cost for each action, the project team used one or more of the following approaches:

- Analysis of historic trends in Bellevue and other East King County cities.
- Capacity analysis based on 2012 Buildable Lands Inventory
- GIS analysis of parcel suitability
- Pro forma analysis of the impact of affordability requirements and density bonuses on financial feasibility of different development prototypes
- Results of effective practices research
- Consultation with ARCH, King County Housing Authority, and non-profit and for-profit housing developers.

Throughout the process, the project team worked closely with the TAG to verify assumptions and refine the analysis results.

## 4. DEVELOPING THE STRATEGY

### Public Engagement

Incorporating robust public engagement is an important project priority and identified as a Council Guiding Principle. To fulfill that principle and to provide a wide range of ways to participate in the process, public outreach included community meetings, small group meetings, online surveys and open houses, and outreach to citizens through newsletters, a project website and social media. Activities are summarized below; materials and supporting documents from these events are on the project website at: <http://www.bellevuewa.gov/affordable-housing.htm>

#### Community Meetings

**Community Education Forum.** On June 23, 2016, the city hosted an education forum that included a panel of local experts discussing the need for affordable housing in Bellevue, and the challenges facing the city and local developers to meet that need. Attendees were also invited to share their experiences with affordable housing, meet with local human services providers and comment on potential affordable housing strategies and actions. Sixty-two participants signed in at this meeting.

**Public Workshop.** On March 21, 2017, community members were invited to discuss and provide feedback on the Draft AHS. Fifty-four participants signed in at this meeting.



#### Council and Advisory Group Meetings

**City Council.** Staff provided Council briefings and received guidance on a regular basis, typically every two to three months. All meetings were open to the public.

**Advisory Groups.** Staff provided briefings at public meetings of the Human Services Commission and Bellevue Network on Aging to provide project information and invite feedback.

#### Web-based Outreach

**Website.** The project website, <http://www.bellevuewa.gov/affordable-housing.htm>, invites sign-ups for email updates about project progress, announces workshops and community meetings, provides meeting materials for Council, Commission, and Technical Advisory Group (TAG), and provides background information and project reports. The website also hosted an online survey and open house, described below. Almost 300 people signed up to receive project updates.

**Online Affordable Housing Open House and Survey.** An online survey launched in June 2016 received more than 800 responses during a two-month period. A companion paper survey, which was translated into Russian,

Spanish and traditional Chinese, was conducted simultaneously and received more than 80 responses. The findings from both the paper and online surveys were combined for a total of over 900 responses.

#### **Online Affordable Housing Open House and Survey.**

An online open house was launched on March 17, 2017 and ran through April 4, 2017. The primary purpose of the online open house was to share information and ask for feedback about the draft strategies and actions.

**Social media.** Public engagement information was posted to the project website, Twitter, Facebook and NextDoor. Twitter and Facebook posts were also translated into Russian, Chinese and Spanish.

#### **Small Group Outreach**

**Listening Posts.** In June 2016, two informal listening sessions were conducted, held at Crossroads Mall Mini City Hall and Factoria Mall. The purpose of these sessions was to discuss the AHS purpose and timeline, answer questions, address concerns, discuss experiences and receive responses to the Affordable Housing Survey.

**Stakeholder workshops.** Two rounds of stakeholder meetings were conducted. The first round consisted of three meetings in June and July 2016, with neighborhood leaders and representatives from the Bellevue Network on Aging. The purpose of these stakeholder meetings was to discuss questions, concerns and views on affordable housing, as well as to gather feedback on potential actions under consideration.

The second round of stakeholder meetings included three meetings in February, March, and April 2017 with non-profit developers, for profit developers, employers, affordable housing advocates, faith-based organizations, and residents of affordable housing. The purpose of these meetings was to receive feedback on draft AHS actions.

**Other events.** City staff also presented information about the AHS to the Bellevue Downtown Association and the 2016 Bellevue Essentials class.

#### **City Publications**

**City Publications.** Articles providing project updates and meeting announcements were published in It's Your City and Neighborhood News over the course of the project.

#### **Key Themes**

The next several pages describe the major themes, concerns and other ideas that were raised during the public engagement process. Comments have been organized according to applicable action.





## 4. DEVELOPING THE STRATEGY

**Strategy A: Help People Stay in Affordable Housing**

*Preserve existing affordable housing stock and support programs that stabilize housing expenses for residents.*

| Overall Impression   | Specific Concerns  | Additional Notes   |
|--|--|--|
| <b>A-1: Partner with non-profit organizations and housing agencies to fund the purchase of existing, affordable multi-family housing to preserve it for the long term.</b>   |  |  |
| <i>Most people expressed confidence that the non-profits know how to build efficiently and provide services to keep people stably-housed. They were eager for the city to partner with these organizations, as preservation is recognized as a priority.</i> | <i>Some noted that they support such partnerships but not increasing funding directed toward preservation of multi-family housing. Many wanted to know how effective these sorts of partnerships have been historically and in other municipalities before committing to a position.</i> | <i>Several people noted that robust partnerships between the city and non-profits should define "community building" as more than just the number of housing units built, and consider wraparound services, transit, schools, jobs, etc.</i> |
| <b>A-2: Advocate for state legislation to extend property tax exemptions to existing multi-family properties that agree to set aside some apartments as affordable.</b>  |  |  |
| <i>Most people were eager to implement a property tax exemption that incentivized development of multi-family properties, and they saw this as a realistic affordability solution.</i>   | <i>Some worried about reduced overall tax base. Others noted multifamily units should pay "their fair share" of taxes. Some suggested a 100% exemption was too much incentive.</i>   | <i>Some suggested that a partial exemption would likely be enough to motivate developers to set aside affordable units.</i>  |
| <b>A-3: Promote programs that provide social and physical support to help seniors and disabled people remain in their homes.</b>   |  |  |
| <i>Social and physical support programs were very favorably received by most people, and they tended to see the city as an important player in identifying ways to increase affordability of services, transit, etc.</i>                                     | <i>A handful of people didn't see social services as the mandate of city government.</i>   | <i>Many respondents found the concept of virtual villages intriguing, suggested researching national models, and seemed generally supportive of the city providing grants and technical support.</i>   |
| <b>A-4: Increase funding and expand eligibility for the city's home repair and weatherization programs.</b>  |  |  |
| <i>Expanding the block grant for home repair and weatherization programs was very well received.</i>   | <i>Some noted that weatherization programs would be nice but wouldn't have a significant impact on affordability.</i>  | <i>Some mentioned that having home repair and weatherization programs regardless of income would be useful for the City to pursue.</i>   |
| <b>A-5: Promote energy efficiency in design and construction of affordable units to reduce utility costs for residents.</b>  |  |  |
| <i>Opinions were mixed about promoting energy efficiency in design and construction. While many people thought well-designed, energy efficiency units seemed logical, others thought the connection to affordability was tenuous.</i>                        | <i>Many suggested the impact of energy efficiency isn't big enough to address affordability. Others were concerned energy efficient design would increase the cost of construction, negating any affordability benefits.</i>   | <i>While some thought this was a distraction from the discussion of affordability, others thought these sorts of solutions should be mandated citywide for all new design and construction.</i>  |
| <b>A-6: Promote existing utility rate relief, utility tax relief, and property tax relief programs for income-eligible residents.</b>  |  |  |
| <i>Promoting utility rate, utility tax, and property tax relief were some strategies that ranked favorably among nearly all participants.</i>  | <i>A very few mentioned that relief programs for income-eligible residents were not appropriate, since most Bellevue residents pay their "fair share of taxes."</i>  | <i>Some suggested existing utility and property tax relief programs were insufficient and should go much further to prevent displacement of income-eligible residents.</i>   |

## Strategy B: Create a Variety of Housing Choices

Offer more types of housing, including lower priced options in neighborhoods within walking distance of jobs, transit, shopping and services.

| Overall Impression  | Specific Concerns  | Additional Notes   |
|---|--|--|
| <p><b>B-1: Encourage micro-apartments around light rail stations through actions such as reduced parking requirements.</b></p>  |  |  |
| <p><i>Opinion about micro apartments was generally favorable, though many respondents remained deeply anxious about reducing parking requirements.</i></p>  | <p><i>Many people expressed frustration about already-taxed on-street parking options and insufficient parking enforcement.</i></p>  | <p><i>For broad buy-in, micro apartments with reduced parking requirements would need to be truly proximal to transit and/or all services (grocery stores, restaurants, jobs, etc.).</i></p>   |
| <p><b>B-2: Update accessory dwelling unit standards and allow detached units in self-selected neighborhoods.</b></p>  |  |  |
| <p><i>There was ample discussion of attached and detached ADUs. People were generally supportive of changing land use regulations to allow these types of smaller (more affordable) units. However, this was not broadly seen as a solution to the city's affordability challenges.</i></p> | <p><i>Some cautioned that the city has not made the infrastructure investments to accommodate additional units. Others worried enforcement would be spotty and complaint-based. Many suggested that ADUs would have to be well-regulated to preserve the character of neighborhoods and insisted on defined limits on how many units were allowed per lot.</i></p> | <p><i>While many suggested that ADUs – attached or detached – would not move the needle significantly on addressing the city's affordability challenges, some recognized how this could be a strategy to help seniors age in place by diversifying their income streams.</i></p> |
| <p><b>B-3: Promote design in affordable units that ensures accessibility for all ages and abilities (e.g. "universal design").</b></p>  |  |  |
| <p><i>People were generally positive about universal design and saw the value of accessibility for all ages and abilities.</i></p>  | <p><i>Some were concerned that promoting universal design would increase costs of construction, negating any affordability gains. Others expressed frustration about government overreach if such design was mandated.</i></p>   | <p><i>Many people noted the role of design in promoting accessibility for all types of families, including creating affordable units that would be livable for children, seniors, extended families, pets, etc.</i></p>  |
| <p><b>B-4: Consider changes to the down payment assistance to low-income and first time homebuyers.</b></p>   |  |  |
| <p><i>Most people were generally not receptive to the city government providing down payment assistance to low-income and first time homebuyers, though some were enthused about such a program.</i></p>  | <p><i>Most did not think down payment assistance was an appropriate use of tax dollars. Some noted that similar programs exist at federal level and non-profits, and suggested local government shouldn't do this.</i></p>   | <p><i>This was identified as a promising solution for non-profits and foundations to pursue, particularly as pooling resources and innovative collaborations could net greater impact. The city was generally suggested as a convener, not as a funder.</i></p>                  |

## 4. DEVELOPING THE STRATEGY

**Strategy C: Create More Affordable Housing**

*Increase the amount of housing affordable to people at lower and moderate income levels.*

| Overall Impression  | Specific Concerns   | Additional Notes   |
|---|---|--|
| <p><b>C-1: Increase development potential on suitable land owned by public agencies, faith-based and non-profit housing entities for affordable housing.</b></p> <p><i>Opinion about this action was mixed, primarily based on method of outreach. This action was very favorably received in focus groups and at the public workshop. However, during the online open house, significantly more people had an unfavorable impression of this action.</i></p> | <p><i>Some suggested increasing development potential should not include zoning changes in single family neighborhoods, as maintaining the character of these areas was paramount. Others suggested the city should not give advantages to faith-based organizations.</i></p> | <p><i>Some rejected a citywide initiative to allow zoning changes to suitable land owned by these entities; some suggested this would be the only way overcome entrenched resistance in single family neighborhoods.</i></p> |
| <p><b>C-2: Develop affordable housing on suitable public land in proximity to transit hubs.</b></p> <p><i>Most liked the idea of identifying parcels of public land to develop affordable housing, particularly if they are convenient to transit and services. Others thought that parcels should be used to develop affordable housing, regardless of proximity to transit hubs.</i></p>  | <p><i>Some noted that quality of life has degraded as Bellevue has grown and thought this land could be used for better purposes (like parks, trails, open space).</i></p>  | <p><i>A few people were concerned about how planners would define "suitable public land" and wanted this to be restricted to land that could not reasonably be used for other purposes.</i></p>                              |
| <p><b>C-3: Update existing tax exemption programs for affordable housing to increase participation by developers of new housing.</b></p> <p><i>Many people supported the idea of a multi-family tax exemption, though there was interest in more specifics about what this would entail.</i></p>  | <p><i>Several people thought a tax exemption was unnecessary to increase affordable housing and thought it would have profound impacts on the tax base.</i></p>   | <p><i>Many people suggested carefully considering what has worked in other municipalities before updating Bellevue's existing tax exemption programs.</i></p>  |
| <p><b>C-4: Inclusionary zoning: increase zoning in exchange for providing affordable units in new development.</b></p> <p><i>Reaction to this action was mixed. While some supported density bonuses to encourage affordable units in multi-family developments and others supported mandates to require a set percentage of units be affordable, still others opposed incentives, mandates, or both.</i></p>   | <p><i>Some noted incentives aren't sufficient at current levels and they need to be higher to compete with market forces. Others said developers should not be hemmed in by requirements; otherwise, development across the city will dampen.</i></p>                         | <p><i>Several people noted that any requirement should apply across the city so as to distribute affordable housing equitably throughout Bellevue.</i></p>   |
| <p><b>C-5: Reduce costs of building affordable housing (e.g. code amendments, lower fees, reduced parking, city funded street improvements).</b></p> <p><i>Many expressed support of changes to city codes to reduce costs for housing construction, though some were reluctant to support this approach saying that codes were enacted to protect the public health and safety.</i></p>  | <p><i>Several people were concerned that relaxing code requirements would expose people to substandard work and materials. Others noted that this would allow developers to build places that looked like "housing for the poor" and degraded the surrounding area.</i></p>   | <p><i>Some were interested in creative solutions and construction innovations that would drive down costs, including locally-produced biomass.</i></p>   |

### Strategy D: Unlock Housing Supply by Making it Easier to Build

Increase the total amount of housing to better meet market demand and relieve pressure on overall cost of housing.

| Overall Impression  | Specific Concerns   | Additional Notes  |
|---|---|---|
| <p><b>D-1: Revise code to reduce costs and process time for building multi-family housing.</b></p>  |   |   |
| <p><i>Depending on the situation, most people saw the benefits of code revisions that would reduce costs and process time.</i></p>  | <p><i>Many people expressed anxiety about reduced parking requirements. Some worried that changing current zoning laws would adversely impact Bellevue's growth. Others noted reduced costs would have to be subsidized in some other way, likely by taxpayers.</i></p> | <p><i>With this action specifically, many expressed frustration that reducing costs for developers with no consideration of how much they are profiting off their developments was unfair to other taxpayers in Bellevue, who are being asked to shoulder more.</i></p> |
| <p><b>D-2: Advocate for amendments to state condominium statutes to rekindle interest in condominium development.</b></p>   |   |   |
| <p><i>Some people were eager to rekindle condominium development, but others expressed deep reservations.</i></p>   | <p><i>While some argued that people are using state condominium statutes to extract improvements to properties that don't need them, others were concerned condo owners need recourse if they were put at risk due to faulty construction.</i></p>                      | <p><i>Many suggested looking at other municipalities with a longer history of condominium development and ensuring whatever statute exists has tough consumer protections without dampening development interest.</i></p>   |
| <p><b>D-3: Change the city's approach to density calculation in multi-family zones to allow more flexibility in unit size and type.</b></p>   |   |   |
| <p><i>People were broadly supportive of revisiting the city's density calculation to grow inventory and increasing the variety of housing units, though only in multi-family zones.</i></p> | <p><i>Some people suggested that recalculating density in multi-family zones would lead to a slippery slope where single family zones would be next.</i></p>  | <p><i>Many people also mentioned rezoning office parks that are currently very underutilized.</i></p>   |

## 4. DEVELOPING THE STRATEGY

**Strategy E: Prioritize State, County, and Local Funding for Affordable Housing**

*Expand the types and amount of funding available to support affordable housing.*

| Overall Impression   | Specific Concerns  | Additional Notes   |
|--|--|--|
| <b>E-1: Tap additional King County and other local tax sources (e.g. reallocation of general fund and/or REET, increase in property tax and/or business &amp; occupation tax, bonds).</b>  |  |  |
| <p><i>When asked about increasing city taxes, such as the property tax or the business and occupation tax, to fund the production and preservation of affordable housing, people expressed a range of support and opposition. Some noted there is no way to address affordability in Bellevue without increasing taxes, noting that increasing property tax is the fairest way to distribute the financial burden. Others stated that property taxes were already too high, and with other tax increases Bellevue residents are being asked to shoulder, this is becoming onerous.</i></p> | <p><i>Many people noted that property owners with fixed incomes (e.g. seniors) would be deeply impacted by increased property taxes, and this would exacerbate affordability challenges for low-income residents. Some also noted that landlords pass on property tax increases to their renters. Others mentioned that businesses pay property taxes, so increasing B&amp;O taxes seemed unfair. Others noted that businesses could write-off taxes, putting them in a better position to absorb such increases. Some respondents demanded increased accountability and transparency before considering increases in taxes.</i></p> | <p><i>Others sources of revenue suggested included: raising taxes on high-rise buildings that do not offer any affordable units; taxing vacant properties; increasing sales tax; asking for federal support to house veterans affordably; using some utility tax that currently goes into the general fund; taxing tobacco, alcohol, and marijuana; pursuing an Eastside housing levy (for ARCH cities); considering a luxury unit tax on very expensive housing units; a real estate transaction excise tax; levying fines on substandard housing and code violations; etc.</i></p> |
| <b>E-2: Pursue funding partnerships with employers, financial institutions, foundations, and others.</b>   |  |  |
| <p><i>Many found the idea of public-private partnerships intriguing and were eager to understand the appetite among employers, financial institutions, and foundations to collaborate with the city.</i></p>   | <p><i>Some noted that employers, financial institutions, and foundations are free to subsidize housing, since they are private. However, partnerships where the city provides public funds to subsidize housing were unpalatable.</i></p>  | <p><i>Several people were eager to figure out ways to ensure businesses, as beneficiaries of a booming workforce, share the financial burden of solving the affordability crisis.</i></p>  |
| <b>E-3: Advocate for legislative actions that expand state and local funding tools.</b>  |  |  |
| <p><i>Most people mentioned that the affordability crisis is regional and expanded state and local funding options would help Bellevue pay for solutions.</i></p>  | <p><i>Some did not think the city should not be in the position of "advocating" for anything.</i></p>  | <p><i>Many noted that taxation in Washington State is regressive and making it less so would open up funding tools. They specifically mentioned advocating for a state income tax.</i></p>   |

# Chapter 5.

## Performance Monitoring

*“One of the great mistakes is to judge policies and programs by their intentions rather than their results.” - Milton Friedman*

In order to ensure that the AHS is judged by its results, the city will monitor and evaluate outcomes on a regular basis. Monitoring provides an early warning system if goals are not being met. It also can alert the city to early successes so that resources can be focused on actions that are the most effective. The AHS monitoring program has two components – implementation monitoring and performance monitoring, described below.

**Implementation monitoring** will track which of the AHS actions are being implemented and the extent to which city partners – including other public agencies and private sector entities – are participating.

**Performance monitoring** will show whether AHS actions are achieving the desired results. Performance indicators for each strategy are listed on the following page.

Findings of both implementation and performance monitoring will be provided every three to five years in a report that describes progress toward implementation, obstacles and opportunities experienced, and recommendations for next steps.

## 5. PERFORMANCE MONITORING

Table 6. Performance Monitoring

| Strategy  | Performance Indicator   |
|---|---|
| <p>Strategy A</p> <p>Help people stay in affordable housing</p>                             | <ul style="list-style-type: none"> <li>• Total number of affordable housing units</li> <li>• Number of existing affordable apartments preserved</li> <li>• Number of households served by home repair, weatherization, utility rate and tax relief and property tax relief</li> </ul> |
| <p>Strategy B</p> <p>Create a variety of housing choices</p>                                | <ul style="list-style-type: none"> <li>• Number of micro-apartments permitted and accessory dwelling units permitted</li> <li>• Number of Bellevue participants in the ARCH East King County Down Payment Assistance Program</li> </ul>   |
| <p>Strategy C</p> <p>Create more affordable housing</p>                                     | <ul style="list-style-type: none"> <li>• Number of new affordable housing units permitted</li> <li>• Number of affordable apartments created through MFTE</li> </ul>  |
| <p>Strategy D</p> <p>Unlock housing supply by making it easier to build</p>                 | <ul style="list-style-type: none"> <li>• Number of total new housing units permitted</li> <li>• Number of new multifamily housing units permitted</li> </ul>  |
| <p>Strategy E</p> <p>Prioritize state, county, and local funding for affordable housing</p> | <ul style="list-style-type: none"> <li>• Bellevue housing dollars leveraged by state, county and other affordable housing funders</li> <li>• Total investment by the City of Bellevue</li> <li>• Total investment by private entities for affordable housing in Bellevue</li> </ul>   |

# Acronyms

|                |  |
|----------------|--|
| <b>ADU</b>     | Accessory Dwelling Unit                        |
| <b>AHS</b>     | Affordable Housing Strategy                    |
| <b>AMI</b>     | Area Median Income                             |
| <b>ARCH</b>    | A Regional Coalition for Housing               |
| <b>B&amp;O</b> | Business and Occupation                        |
| <b>CDBG</b>    | Community Development Block Grant              |
| <b>CIP</b>     | Capitol Investment Program                     |
| <b>DASH</b>    | Downtown Action to Save Housing                |
| <b>DOE</b>     | US Department of Energy                        |
| <b>EPA</b>     | US Environmental Protection Agency             |
| <b>FAR</b>     | Floor Area Ratio                               |
| <b>HUD</b>     | US Department of Housing and Urban Development |
| <b>KCHA</b>    | King County Housing Authority                  |
| <b>MFTE</b>    | Multifamily Tax Exemption                      |
| <b>PHEE</b>    | Partnership for Home Energy Efficiency         |
| <b>PSE</b>     | Puget Sound Energy                             |
| <b>REDI</b>    | Regional Equitable Development Initiative      |
| <b>REET</b>    | Real Estate Excise Tax                         |
| <b>SVLG</b>    | Silicon Valley Leadership Group                |
| <b>TAG</b>     | Technical Advisory Group                       |
| <b>TOD</b>     | Transit Oriented Development                   |



# Glossary

**A Regional Coalition for Housing (ARCH).** ARCH is a partnership of the County and 15 East King County cities, including Bellevue, who have joined together to preserve and increase the supply of housing for low- and moderate income households on the Eastside.

**Accessory dwelling unit.** Accessory dwelling units (ADU), which are sometimes called “mother-in-law units,” are extra living units created on the property of a single-family home. An ADU has a kitchen, bathroom and sleeping facilities. Subject to local regulations, ADUs may be located either inside, attached to, or detached from the primary home.

**Affordable housing.** The U.S. Department of Housing & Urban Development (HUD) defines housing as affordable if its occupants pay no more than 30 percent of their income for rent and utilities or for mortgage, taxes, and insurance.

**Area median income.** Income published by HUD for states, counties and urban areas that is adjusted for household size. The 2016 area median family income for a one-person household was \$63,200 and for a four-person household was \$90,300.

**Condominium.** A condominium is real property (in this case, a housing unit, land, and other elements), the housing unit of which is owned separately and the rest of which is owned in common by the owners of the individual units.

**Cost-burdened.** Households that pay more than 30 percent of their income for housing. Households that pay more than 50% of their income on housing are considered severely cost burdened.

**Faith-based organization.** An organization that is rooted in a particular religious faith and carries out programs and services consistent with the tenets that faith.

**Floor area ratio.** The relationship between the total amount of floor area that is permitted for a building and the total area of the lot on which the building stands. For example, if a site is 10,000 square feet in area, a floor area ratio (FAR) of 2.0 would allow a building area of 20,000 square feet.

**Household.** All the people living in one housing unit whether or not related as a family.

**Housing Trust Fund.** The ARCH Housing Trust Fund was created by ARCH member cities in 1993 to directly assist the development and preservation of affordable housing in East King County. The trust fund is capitalized by both local general funds and locally controlled, federal Community Development Block Grant funds.

**Inclusionary zoning.** Inclusionary zoning is a regulatory tool that incentivizes or mandates affordable housing in exchange for additional residential development capacity, generally height, floor area ratio or other benefits to the development. Under an incentive approach, additional development capacity is provided only if the developer elects to provide a certain amount of affordable housing. Under the mandatory approach, the developer is required to provide affordable housing in exchange for changes to regulations or other benefits already applied to the development.

#### Income categories

*Very low income* under 30% of AMI

*Low income* 30-50% of AMI

*Moderate income* 50-80% of AMI

*Lower middle income* 80%-100% of AMI (also referred to as workforce)

*Above median income* above 100% of AMI

**Micro-apartment.** Typically a small studio apartment, usually between 200 - 300 square feet, with its own functioning kitchen and bathroom.

**Multifamily Tax Exemption.** A state law (RCW 84.14) that allows cities to exempt multifamily housing from property taxes in urban centers with insufficient residential opportunities. In this program, the city defines a residential target area or areas within an urban center; approved project sites are exempt from ad valorem property taxation on the residential improvement value for a period of eight or 12 years. The 12-year exemption requires a minimum level of affordable housing to be included in the development. The eight-year exemption leaves the public benefit requirement to the jurisdiction's discretion and carries no affordable housing requirement.

**Transit Oriented Development.** A compact, walkable, pedestrian-oriented, mixed-use community centered on a high capacity transit station.

**Universal design.** The design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. (National Association of Home Builders)

**Virtual village.** An organization, usually staffed by a combination of volunteers and paid staff, that provides services to paying subscribers, typically the elderly or the disabled, in order to allow them to remain in their homes.

CITY OF BELLEVUE  
BELLEVUE PLANNING COMMISSION  
STUDY SESSION MINUTES

June 14, 2017  
6:30 p.m.

Bellevue City Hall  
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chair deVadoss, Commissioners Carlson, Barksdale, Laing, Walter

COMMISSIONERS ABSENT: Commissioner Morisseau

STAFF PRESENT: Terry Cullen, Nicholas Matz, Department of Planning and Community Development

COUNCIL LIAISON: Not Present

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

CALL TO ORDER  
(6:39 p.m.)

The meeting was called to order at 6:39 p.m. by Chair deVadoss who presided.

ROLL CALL  
(6:39 p.m.)

Upon the call of the roll, all Commissioners were present with the exception of Commissioner Morisseau who was excused.

APPROVAL OF AGENDA  
(6:39 p.m.)

There was agreement to amend the agenda by adding reports from staff.

A motion to approve the agenda as amended was made by Commissioner Laing. The motion was seconded by Commissioner Walter and the motion carried unanimously.

COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS, BOARDS AND COMMISSIONS – None  
(6:40 p.m.)

STAFF REPORTS  
(6:40 p.m.)

Comprehensive Planning Manager Terry Cullen said the last meeting in June is when the election of Commission officers normally takes place. However, given that the June 28 meeting agenda is full, he recommended moving the election of officers to the first meeting in July.

Commissioner Carlson said his concern was whether or not there would be a full complement of Commissioners at the ~~July 12~~~~July 13~~ meeting. He said he was not sure he would be there.

Commissioner Barksdale said he would be out of town on that date. Commissioner Laing reported that he would be traveling on that date as well.

There was consensus to hold the Commission elections at the ~~June~~~~July~~ 28 meeting.

#### PUBLIC COMMENT (6:47 p.m.)

Ms. Sake Letove, 3831 145th Avenue SE, read into the record an email from Linda ~~Nohavec~~~~Novahaek~~ on behalf of the Eastgate Residents Council regarding the operations and maintenance facility (OMFE) Sound Transit will be constructing in the Bel-Red area. The email noted that the OMFE master development plan was presented by Sound Transit to the Council on June 12. As proposed, the plan places the majority of the Sound Transit facility on the northern portion of the site, landlocked between the railroad tracks to the west and 120th Avenue NE to the east. The most southerly portion of the site borders NE 12th Street and allows an opportunity to develop a campus that perfectly suites an area for supportive housing and a men's low-barrier shelter adjacent to the planned transit-oriented development site. The other attractive aspect of the OMFE surplus property is the reduced land cost offered to developers to build affordable housing. By statute, 80 percent of the entire Sound Transit surplus inventory must be utilized for affordable housing based on the 80-80 rule. The opportunity exists to continue to develop the surplus property as a light industrial campus, the most successful location to incorporate the shelter use as research suggests. It is best for the community, and mitigations can be substantially less located near the downtown area where services are so closely located. The community has a unique opportunity to finally embrace the men's low-barrier shelter by siting it at an appropriate location where the success rates can be measured.

#### INTRODUCTORY COMMENTS BY STAFF (6:47 p.m.)

Mr. Cullen said the public hearing on the Bellevue Technology Center was the sole item on the agenda. The Commission will conduct a study session on the topic on June 28 and will at that meeting make a recommendation to be forwarded to the City Council. The expectation is that the Commission will conclude its review by June 28 in order to allow the Council to hear the issue in July.

Mr. Cullen said Senior Planner Nicholas Matz would first present a report and a recommendation, and would outline the overall plan amendment and the process that is involved. He said the Commission would be allowed to ask clarifying questions about the information presented before taking formal action to open the public hearing. The applicant or applicant representatives will be allowed to speak first for up to 15 minutes, following ~~with~~~~which~~ three neighborhood spokespersons representing a collection of neighborhoods will be allowed up to 15 minutes total to speak. It is expected that the comments made by those representing the neighborhoods will preclude some individual testimony and help to expedite the public hearing without compromising effectiveness. The balance of the public hearing will then be given over to testimony from individuals for up to three minutes each.

The public was respectfully asked to maintain the decorum of the meeting and to refrain from shouting out remarks during the meeting. Mr. Cullen said the chair is charged with maintaining a

meeting environment in which everyone can feel comfortable in sharing their views regardless of whether or not others agree with them.

Mr. Matz said a single site-specific Comprehensive Plan amendment was before the Commission for ~~2017 threshold review~~ Threshold Review. He explained that the city uses an annual process to accept applications to amend the Comprehensive Plan. The Growth Management Act limits the process to one time annually. All of the various applications made are brought together for a cumulative and consistent review. The threshold action, which some have referred to as a docketing function, sets applications for consideration in the annual work program, which is established when the City Council acts on the recommendations of the Commission to establish it. The Council is scheduled to take action on the work program on July 24.

Mr. Matz said there are two site-specific Comprehensive Plan amendments for consideration. The Bellevue Technology Center in the Crossroads subarea in an area bounded by Northup Way, 156th Avenue NE, NE 24th Street, Interlake high school and some residential neighborhoods. The other application involves the Eastgate Office Park which passed the ~~threshold review~~ Threshold Review in 2016 but was deferred for action to 2017. It will be in the ~~final review~~ Final Review package the Commission will take up in ~~final review in~~ the fall.

Also in the mix are two applications that have been initiated by the City Council, namely the Complete Streets and Downtown Implementation Plan policy updates. The East Main Comprehensive Plan amendment is a third application under consideration.

Mr. Matz said the Bellevue Technology Center is a 46-acre site. The privately initiated application proposes new policies in the general land use, economic and transportation sections of the Crossroads subarea plan, and amendments to existing policies as well as Figure S-TR-1 in order to enable redevelopment of the Bellevue Technology Center site. There are residential neighborhoods to the east, north and south of the site. The whole of the Crossroads subarea lies generally to the south of the site. The Bel-Red district is situated to the west of the site, and to the northwest and further to the north are the city of Redmond's Overlake area and the former Group Health site.

During the Commission's study session on April 26, the issue of expanding the geographic scope of the application was considered. The ~~conclusion reached~~ Commission agreed with a staff recommendation was that the geographic scope should not be expanded based on the criterion of similarly situated properties. It was determined that the size of the Bellevue Technology Center makes it uniquely situated to take advantage of the proposed Comprehensive Plan amendment and that surrounding properties, due to their size, could not do that.

Mr. Matz said the recommendation of the staff was that the application does not meet ~~threshold review~~ Threshold Review and to not include it in the work program. Specifically, two of the application criteria that must be met in order to advance the application fall short. ~~The First, the~~ application does not address significantly changed conditions (LUC 20.30I.140.E.) The citywide Comprehensive Plan update was adopted by the City Council in 2015, laying out the city's overall growth strategy, specifically in the Land Use, Economic Development and Neighborhood elements. ~~P, which is that~~ placing more growth on the Bellevue Technology Center site is not part of the overarching strategy of managing growth and development while working to protect and enhance neighborhoods. While the specific text of the Crossroads subarea plan was not included in the updates to the general elements of the plan, there has been no significant change since the 2015 plan adoption with regard to the overall growth strategy. The passage of time is also not a significantly changed condition. The Crossroads subarea plan remains effective in part

because the policies apply to the site that was sensitive to its owner and the surrounding community in 1972, and its continued impact on the community is sensitive still. The sensitivity of the site for the adjacent neighborhood and special conditions on the office use continue to be appropriate despite the passage of time. ~~The Staff also asserts that the~~ growth strategy policies that are suggested by the applicant to apply to the site are also included the significantly changed criteria review.

The second criterion not met by the application is consistency with current general policies in the Comprehensive Plan for site-specific amendment proposals (LUC20.30I.140.G) for accommodating the city's projected growth and targeted areas, with clear dividing lines in the subarea and appropriate transitions along those lines. The proposal for increased commercial density on the Bellevue Technology Center site is not aligned with the Comprehensive Plan's identified target areas for major mixed use and commercial growth as shown on map LU-4, which indicate the target mixed use areas that are anticipated to accommodate a significant portion of the city's projected growth. While the eastern edge of the Bel-Red district includes a portion of a high-density node along 156th Avenue NE across from the subject site, a clear dividing line is established along the center of the arterial. The Bellevue Technology Center lies on the east side of the dividing line and is outside any area envisioned by the Comprehensive Plan to accommodate denser urban development. The subject site along with other office and commercially designated properties on the east side of 156th Avenue NE and Bel-Red Road NE provides for commercial development at an appropriate transition scale to the residential neighborhoods to the east and the south.

Mr. Matz said it is not that the extension of higher density implementing the growth strategy to the Bellevue Technology Center site is a reasonable suggestion, rather it is that the city plans for growth in certain defined areas and then plans the infrastructure needed to support the growth in those areas. Conversely, areas not planned or targeted for growth have tools to protect them. The subarea policies and discussions reflect that.

~~-Proximity is not a standard for long-range planning, and the significant work for the city with significantly changed conditions is unanticipated. A finding of significantly changed conditions is needed to warrant further review.~~ None of the things argued for the Bellevue Technology Center site that are in proximity to the site, thus warranting an extension of the city's growth strategy policy framework, were unanticipated by the city in planning for growth in Crossroads.

Mr. Matz said to date there has been a great deal of public comment received. Several different platforms were used to convey access to the comments, including online searchable access to a Flippingbook document, and printed materials. He said comments had been received from 124 persons and included 91 parties of record. An online petition was circulated; the language of the petition and the names of the persons who signed it were made part of the public record. A number of persons who signed the petition also included comments that will be included in the record for review ahead of the June 28 study session.

~~-The Commission received a comment letter in which the application was analyzed, the letter was signed by representatives of ten different neighborhood associations in which the application was analyzed. Everyone, including the applicant, have been participating in a civil and engaged manner. The applicant has also submitted comments on a public hearing meeting they held, on a transportation analysis they performed, and on the staff recommendation. With the exception of the applicant's comments and one comment supporting changes that are required to enable height and density redevelopment of the area, all of the public comments and inquiries have been opposed to advancing the proposal out of threshold review. Everyone, including the applicant, All~~

parties to the review process have been participating in a civil and engaged manner.

With the exception of the applicant's comments and one comment supporting changes that are required to enable height and density redevelopment of the area, all of the public comments and inquiries have been opposed to advancing the proposal out of Threshold Review.

Comments opposed to the proposed Comprehensive Plan amendment fall into various themes. The proposal risks the unique and sensitive relationship the site holds for the community, specifically the meadows, trees and low-impact visual access that is protected by the PUD. The PUD established an agreement between the community, the city and the property owners that the Comprehensive Plan and the Crossroads subarea plan continue to reflect. The focus of the proposal on urban growth, density and infrastructure factors is discounted by those opposed to the proposal. The idea that 156th Avenue NE is a boundary is supported, as is the notion that the neighbors adjacent to targeted high-density growth areas continue to deserve protection as the policies specify. The public comments included specific and repeated mention of how growth in Bellevue and the area has severely affected people's quality of life as well as their choices about travel and access, and how the communities are having to weather the impacts of and are being overwhelmed by what they feel is never-ending change.

Chair deVadoss thanked everyone in the audience for their participation in the process.

Commissioner Carlson asked if a quick spot poll could be taken amongst Commissioners present about the staff recommendation. None was taken, and Chair deVadoss began to review the sign-up sheets.

## PUBLIC HEARING

(7:09 p.m.)

Chair deVadoss said he would limit comments to three minutes during the public hearing. The audience was urged to raise their hands in support of comments made rather than commenting verbally.

A motion to open the public hearing was made by Commissioner Walter. The motion was seconded by Commissioner Laing and the motion carried unanimously.

Mr. Jeff Rader, senior vice president with KBS, spoke representing the property owner. He said KBS acquired the Bellevue Technology Center site in 2012 and targeted the property for purchase for many of the reasons highlighted by the neighbors, including the meadow, the trees and the park-like setting. KBS wants to preserve and enhance the park-like setting while re-energizing the center with technology and headquarter tenants. The center has been a success because high-quality tenants want to be there. Since KBS acquired the property, occupancy has been increased by 30 percent to where the center is now fully occupied. The center is home to the headquarter of MOD Pizza, the second fastest growing company in the state; and is home to the headquarters of a number of tech companies. Sixty percent of the current tenants are tech companies that provide high-quality living wage jobs that are contributing to Bellevue's economy. A conversation with the city about opportunities to support economic growth began in 2014. The focus was on preserving the elements of the center that are cherished by KBS, the tenants and the community. For the past four years, KBS has conducted outreach to the city and the community. Five public open houses were held to explore opportunities to meet the city's land use, housing, economic and transportation goals by providing for moderate transit-oriented development opportunities for new jobs and housing next to a rapid transit station on NE 24th

Street and within 15 minutes walking distance of a future light rail station. It has been communicated that KBS wants to build on the meadow, but that is not the case. KBS is committed to permanently preserving the meadow and the tree buffers. For that reason, KBS reached out to ~~Forterra~~<sup>4Terra</sup>, a leading conservation organization. KBS is committed to mitigating traffic impacts and to that end has hired two leading transportation engineers to study and identify mitigation measures that go well beyond the traffic that may be generated by the infill development. KBS is committed to the transit-oriented development concept and would be willing to phase development in accord with the Overlake light rail station that will be built in the future. It is the right time for the conversation. There have been significant changed conditions.

Mr. Jack McCullough, 701 5th Avenue, Suite 6600, Seattle, praised the Commissioners for taking their jobs seriously and maintaining open minds. He suggested that after hearing the applicant's position, the Commission will conclude that the application does in fact meet the threshold criteria and should be moved forward. The proposal that was on the table three years ago ended on a 2-2 vote, after which the applicant elected ~~to~~<sup>with</sup> withdraw the application. At that time, the proposed amendment was not substantive, rather it sought the establishment of a process to create a visioning concept for how to move forward with possible redevelopment of the Bellevue Technology Center campus. The message then was clear that the proposed path was not the appropriate path to pursue, and that what should be pursued was a rezone application. Beginning in 2014, a rezone application was pursued for two years at extraordinary expense. No stone was left unturned. During the winter of 2016, much to the surprise and chagrin of the property owner, ~~that~~ the rezone process was not in fact the appropriate process to pursue and that the way to go would be a Comprehensive Plan amendment. Dutifully in response to direction from the city, the focus was shifted toward filing a substantive Comprehensive Plan amendment with nine amendments to the text and the maps.

Continuing, Mr. McCullough pointed out that the staff report indicates that of the seven criteria set forth in LUC 20.30.L.140, five are without question met by the application. The only two issues, therefore, are whether or not the significantly changed conditions criterion is met, and whether or not the consistency with the Comprehensive Plan and the Countywide Planning Policies criterion is met. With regard to changed conditions, the staff report does not cite or apply the appropriate standard, which the Commission must do. The staff report finds that the proposal does not address significantly changed conditions on the subject property or the surrounding area where such change has implications of a magnitude that needs to be addressed for the Comprehensive Plan to function as a whole. That is not what the code says. Rather, the code says the criterion to be applied is that the proposed amendment addresses significantly changed conditions since the last time the pertinent Comprehensive Plan map or text was amended. The pertinent Comprehensive Plan map or text was last amended 30 years ago. Accordingly, changed conditions should be measured from 2015 should in fact be measured from 1988, which is the last time the Crossroads policy at issue was amended. The application as submitted identifies five ways in which conditions have changed significantly since 1988, including the emergence of Microsoft and business services clusters within a quarter mile of the site; a new bus rapid transit line running adjacent to the Bellevue Technology Center site; the 2014 adoption of the transit-oriented development policies; the passage of ST-3; and the 1990 adoption of the Growth Management Act. The staff report does not address single one of those changed conditions; it includes nothing that says the application does not satisfy that criteria.

Mr. McCullough shared with the Commissioners aerial photographs of the subject area, beginning with shots taken in 1965 and continuing with photos taken in 1977, 1996 and 2009, as well as maps showing where the bus rapid transit will run. The evidence is clear that the changed



conditions criterion is met by the application. With regard to consistency with the Comprehensive Plan and the Countywide Planning Policies, it was noted that the staff report indicates growth is intended to be located only in certain areas of the downtown. The staff report goes on to say the target areas are for major mixed use commercial growth and are intended to accommodate a significant portion, but not all, of the city's projected growth. The growth strategy acknowledges that some job and housing growth will occur outside of the mixed use centers. The Bellevue Technology Center site is identified as a major employment center on map ED-1 of the city's Comprehensive Plan. The Comprehensive Plan also states that housing and employment growth will not only occur outside the mixed use centers, it can occur inside a major employment center.

The staff review is erroneous and mischaracterizing the Comprehensive Plan view of where growth can occur. Growth can occur in areas other than the downtown, Bel-Red and Eastgate, including on the Bellevue Technology Center site. The criterion of consistency with the Comprehensive Plan and the Countywide Planning Policies is met by the application.

Mr. McCullough mentioned the B Line, the Growing Transit Communities Act and the involvement of both Futurewise and Forterra in their application process.

Mr. McCullough reiterated that the goal of the property owner is to provide long-term legal non code-based protections for the meadow and the trees. The protections would be based in private contracts. A map of the city's major employment centers was shown to the Commissioners, and Mr. McCullough pointed out that Bellevue Technology Center is identified as one of the city's major employment centers.

Mr. McCullough proposed the Commission should condition approval of the docketing of the application with four specific conditions. For three years the property owner has been trying to get the information together that is applicable to the site and put it in front of a decision-making body so that someone can make a reasoned decision about what should happen on the site. Making a decision not to docket the application for full review means the property will once again be locked out, leaving out the opportunity to put all the information in front of the city's decision makers. The application should be docketed, leaving to the property owner the burden of showing public benefit, to provide additional transportation studies to match up with what the city is doing, to conduct additional public outreach, and to come up with a phasing plan so that implementation aligns with the funding and construction of the Overlake light rail station.

Mr. Edward McDonald, 15936 NE 27th Place, spoke on behalf of a coalition of 13 neighborhoods. He noted that the coalition had prepared a detailed rebuttal of the Bellevue Technology Center Comprehensive Plan amendment request. He noted that the neighborhoods in the coalition collectively have over 2000 homes, and that each of the neighborhoods had signed support for the rebuttal document. The property owner KBS is asked to amend the Comprehensive Plan, but their real objective is to vacate the PUD, rezone the site and build to the maximum possible and then flip the property. The proposed amendment is the third submitted for the site in the last three and a half years. The proposal on the table in 2014 was voted down 5-1, with one abstaining. The subsequent rezone attempt was unproductive, and the current request is basically a repackaged version of the 2014 Comprehensive Plan amendment with a new spin focused on significantly changed circumstances.

Ms. Els ~~Bloome~~**Blomma**, 1010 185th Avenue NE, said the proponent states their Comprehensive Plan amendment request is warranted because it will allow for achieving 14 Comprehensive Plan policies and that it is needed to enhance consistency with another 28 policies. The proposal,

however, is based on three key assumptions, the first of which is that the Bellevue Technology Center site is located within the walkshed of the Overlake Village light rail station. Transit-oriented development is a hip concept, but its definition ~~carries~~ depends on the source. Most sources agreed that a walkshed for light rail is defined as a ten-minute or half-mile walk. Online maps put the Bellevue Technology Center property at 0.7 miles from the proposed light rail station, which takes about 20 minutes to walk from the northwest corner of the site, which happens to be the meadow that the applicant says will be preserved, which means any building on the site will be even further from the light rail station. The conclusion is that the Bellevue Technology Center site is not eligible for transit-oriented development treatment.

Ms. ~~Bloome~~~~Blomma~~ said the second assumption is that the Bellevue Technology Center site is located in a mixed use or commercial area. The fact is it is located in a residential neighborhood and is designed to serve as a buffer to the residential neighborhoods to the east, north and south, and the higher density mixed use areas to the west. The clear dividing line is 156th Avenue NE. As part of the neighborhood area planning initiative, the Bellevue Technology Center site will become part of the Northeast Bellevue neighborhood and will no longer part of the Crossroads neighborhood, and Northeast Bellevue is residential. Bellevue is not opposed to growth, but the Comprehensive Plan clearly targets areas in which mixed use and commercial growth should occur. Those are the areas in which infrastructure investments are being made.

Ms. ~~Bloome~~~~Blomme~~ shared with the Commissioners a map showing office developments that are projected to have about 300,000 square feet. She noted that the projections, which were for 2027, still show the Bellevue Technology Center site at its current density, and she pointed out that office developments of that size occur primarily adjacent to residential uses. If approved, the amendment would allow the Bellevue Technology Center property to almost triple its density, which would be in keeping with densities that occur along I-90, in the downtown and in the new Spring District.

The third assumption is that the site can be further developed while protecting the meadow and the trees. However, unless the property owner intends to build vertically, it will not be possible to increase the footprint and still protect the meadow and the trees. In 2015, an administrative amendment was granted that allowed for cutting down 11 mature trees to create more parking on the site. The trees were replaced with much smaller trees, about half of which appear to have died. Removing mature trees jeopardizes the health and safety of the remaining trees in a given stand during high wind storms.

Mr. John Emel, 15849 Northup Way, said nothing has really changed since 2014. With regard to the 2014 Bellevue Technology Center Comprehensive Plan amendment request, Commissioner Diane Tebelius remarked that at the time the Bel-Red planning was taking place, the city made sure not to include the area east of 156th Avenue NE. At that time, Commissioner Tebelius said nothing had changed to suggest reconsideration of that position. Commissioner Michelle Hilhorst made the point that owners of property in the Bellevue Technology Center vicinity bought with the understanding that an agreement was in place to bar further development and maintain the natural barriers of the site. She went on to say there is no turning back the clock if development is allowed, and that the PUD must be preserved at all cost.

Continuing, Mr. Emel said the Bellevue Technology Center property owner has introduced the concept of transit-oriented development. The fact is the site is too far from the light rail station to qualify. It is a walk of seven-tenths of a mile, which on a good day takes 14 to 15 minutes to walk, and on a bad day 20 minutes.

KBS highlighted five areas of change. Mr. Emel agreed that the IT and business services sectors have grown as stated, but the growth was planned for in the 2015 Comprehensive Plan. The rapid ride B-line, mentioned as a new development, was instituted in 2011 and was incorporated into the 2015 Comprehensive Plan. Prior to 2011, there were four routes serving the area, and there are currently four routes serving the area. The claim has been made that approval of ST-3 changes things, but the Overlake station will not be any closer, and light rail was already ~~part~~ of the planning in the Comprehensive Plan. The planned new station in Redmond will be four miles from the Bellevue Technology Center site. The claim that the transit-oriented development zone is applicable is not true. Bellevue embraces transit-oriented development in certain areas, but the Bellevue Technology Center site is not in a transit-oriented development zone. Transit-oriented development was incorporated into the 2015 Comprehensive Plan and is nothing new. Bellevue adopted the Growth Management Act in 1990, and reaffirmed the Bellevue Technology Center PUD in January 1992. The Growth Management Act is incorporated in the 2015 Comprehensive Plan.

The only reasonable conclusion that can be drawn with regard to the five areas of change highlighted by the applicant is that there has been no significant change since the 2014 Comprehensive Plan.

Ms. ~~Blomme~~ ~~Blomme~~ pointed out that the rebuttal letter was written by the staff recommendation was released. She said there are 14 policies that need to be carefully considered, and commented that 30 policies would be jeopardized by approval of the Comprehensive Plan amendment. The issues center around four criteria: maintaining the character of the residential neighborhoods; protecting the open space and the tree canopy; reducing traffic congestion; preserving the safety and livability of the residential streets.

The letter submitted to the city from KBS in reaction to the opposition comments offered several concessions to their application. Their offer includes a substantial voluntary public benefit package, which is not needed because all of the benefits already exist under the PUD. Their offer includes additional transportation studies at their expense, but they have had years to provide additional traffic improvement proposals but the public has seen none. They are offering to undertake additional outreach regarding transportation challenges and potential mitigation, but the public would like to see the existing gridlock addressed before any additional development is allowed in the area. They are offering to phase over time implementation of future development, but if they are willing to wait that long there is no need to give them a blank check up front. The city should uphold the PUD and continue to protect the site.

Mr. McDonald said the coalition of neighborhoods believes there are no significantly changed conditions. Nothing has changed since the Commission said no to the property owner in 2014. The applicant has failed to justify amending the Comprehensive Plan, and 156th Avenue NE must remain as a clear dividing line separating the residential neighborhood from the high-growth areas to the west. The PUD was negotiated between the property owner, the city and the community, and concessions were made by each party. The community believes the agreement was intended to be permanent. The coalition wants the Commission to say no to the KBS Comprehensive Plan amendment, and to do what the City Council did in 1992 relative to the John Hancock property, now the Bellevue Technology Center property, in which the proponent was denied the opportunity to move forward with a development. They appealed and were told no a second time. The Council then reaffirmed the terms and conditions of the 1972 PUD. The Commission was asked to do the same.

Mr. Neil Nelson, 871 171st Place NE, said he has been involved in each recurring discussion of

what is now the Bellevue Technology Center site. He said in 1972 a very civil process was undertaken which resulted in an agreement between the community, the city and John Hancock as to what development could take place on the site. Two phases of development were identified, and when John Hancock came back for the second phase of development they expressed a desire to step outside of the agreement but were denied. The current request to amend the Comprehensive Plan would replace some of the concomitant agreement. The applicant's proposal is based on the general goals of the city with regard to transit, employment, attractiveness, pedestrian corridors and the like. The proposal, however, ignores the fact that in 1972 the residents gave up existing single family zoning and allowed commercial development to come in on the basis of a full understanding of what that development would be. Any change to the existing agreement must specify the exact uses to be allowed and the exact distribution of the uses throughout the property.

Ms. Carol Walker, 1908 160th Avenue NE, said her family moved to northeast Bellevue in 1969 and has been there ever since. At the time, the property in question was a horse farm and there were gravel paths where there are now sidewalks. She said she now walks her dog where she used to walk with her children around the wonderfully wooded property. If development is allowed and the trees are removed, they will never come back. She said she has always understood that the property has always been a desirable and valuable site. Local residents believe the decisions made in 1972 and subsequently were made to protect the neighborhood, but every few years the property owner seeks to change the agreement. She said she would be thrilled to see the open areas of the site turned into a public park and preserved forever. Instead, local residents feel betrayed because the expectations set down in 1972 are being eliminated without a clear understanding of what the final outcome will be.

Ms. Ann Kauflin, 16856 NE 14th Place, said she moved to Bellevue 22 years ago. Reading from the Commission meeting minutes of July 30, 2014, she noted that Commissioner Walter voiced support for the recommendation of staff, having read over all the materials and finding no compelling argument for moving the proposal forward. Commissioner Carlson commented that anytime actions are taken to deviate from the Comprehensive Plan, there should be a compelling and justifiable reason for doing so, and that in the case of the Bellevue Technology Center there were no changed circumstances warranting revising the Comprehensive Plan. He went on to say that the argument made by Mr. McDonald that a deal is a deal and that there are many commercial properties both in Bellevue and in the area where the Bellevue Technology Center is located were right on point, and that no argument can be made that commercial development should be allowed in an area where it is clearly not wanted. Commissioner Hilhorst agreed with Commissioners Walter and Carlson and went on to say that the owners of the residential properties surrounding the Bellevue Technology Center site purchased their homes with an understanding of the agreement that is in place, and the new owner of the Bellevue Technology Center clearly understands the limitations that are in place. She added that if approved and the property is allowed to redevelopment, there would be no opportunity to turn the clock back; a natural barrier has been retained because of the agreement and it should be preserved at all costs. Commissioner deVadoss noted that he lives near the Bellevue Technology Center property and said he could see no compelling reason to change the deal that is in place. Commissioner Tebelius agreed with the statement made by staff at the May 14 meeting that development activity occurring on the old Angelo's site was contemplated at the time of the Bel-Red planning effort, and that the decision of the city at the time was to make sure not to include the area east of 156th Avenue NE, and that nothing had changed to suggest reconsideration of that position.

Mr. Pat Tierney, 1406 177th Avenue NE, said he graduated with a civil engineering degree and spent ten years in the aerospace industry and 31 years with the Department of Veterans Affairs,

with the last 15 years spent working on planned unit developments. He said he was one of 12 in the United States that could ~~approve~~approved an association's planned unit development. He said he moved to the Sherwood Forest neighborhood in 1971 as the discussions regarding the Unigard site were ongoing, which were finalized in 1972 in an agreement to retain open space, the trees and to have buffered streets along NE 24th Street and Northup Way. He said he is now retired and it takes ten minutes to travel down Northup Way from 140th Avenue NE to 148th Avenue NE during non-peak hours. There are now 460 units on the old Angelo's Nursery site, and 640 units being planned right across the street, and there is no open space. There are already problems with traffic that will only get worse. People living in the Sherwood Forest area wanting to get to the downtown must use Northup Way or NE 24th Street. Coming from Seattle traffic gets off at 148th Avenue NE and uses NE 24th Street to get to the neighborhood. Over the past 45 years there have been few improvements with regard to traffic flow. He said when he was working with developers on planned unit developments, there were always compromises made in which the developer got more density and the city got more open space. Three parties would have to agree to change the PUD that is in place: the city, the neighborhood and the property owner.

Ms. Diane Kerry, 16223 NE 26th Street, said she has lived at that address since 1979. She said she cares about her city and her neighborhood and was present to voice her concerns. She said she could remember Bellevue before Bellevue Square; Evergreen East before Microsoft; Eastside Group Health before Avalon; Angelo's Nursery before LIV; and Evergreen Village before the Hyde Square Apartments. Those good memories have been replaced by the frustration of traffic and sterile architecture with little or no landscape. With regard to the Bellevue Technology Center application, she said she remembers meeting neighbors and walking her dogs on the site and creating long-time friends; kids sledding on the hill at the first sign of snow; the tall fir tree adorned with lights at Christmas; walking the upper meadow to see fireworks in the distance on the 4th of July; the friendly security guards; and voles hiding in holes and birds nesting in the meadow. She said she did not want to see the abundant trees and open space become a meadow. The city is already overwhelmed with traffic. Passthrough traffic has increased, and drivers ignore speed limits and stop signs. No progress has been made between the cities of Redmond and Bellevue to address the traffic issues. The city has continued to permit more development, which has only added to the problem. She urged the Commission to reject the proposed Comprehensive Plan amendment for all of those very personal reasons.

Ms. Janet Henry, 1812 161st Avenue NE, said she has been at that address for just over 24 years. She said her property faces the Bellevue Technology Center property on the other side of 160th Avenue NE. She said the experience of the neighbors has been that since 2012 when KBS purchased the Bellevue Technology Center property, the focus has constantly been on trying to get out of the PUD. The organization knew full well what the PUD limits were when they bought the property. In 2014 they filed a Comprehensive Plan amendment request, and in 2015 they filed a request for an administrative amendment to the parking. In 2016 they sought a rezone request, and in 2017 they filed another Comprehensive Plan amendment. The neighbors wonder if the property owner can be trusted when they make promises of the sort they are currently making. A request was made in 2015 to remove 11 significant trees to make room for 27 parking spaces on the strength of the argument by the property owner that the office buildings were projected to be fully tenanted by the fall of that year. The request was granted, the trees were cut down, and the parking spaces were created. The parking spaces are now empty, the replacement trees that were planted were allowed to die, and signs have gone up around the property indicating that monthly parking is available to anyone in the city for \$150 per month. It is clear they did not need the extra parking spaces. It was also surprising to hear from the KBS representative that the site is 100 percent leased given that the KBS website shows there is much

space for lease, including an entire QVE building available for sublease with about 68,000 square feet. KBS is on record saying it cares about the environment, and that they chose the site because of the park-like environment, but on the KBS website it says clearly that when properties are identified for acquisition, KBS develops a business plan for each asset, including a well-defined distribution strategy, and target cash returns. The approach seems contrary to saving the environment.

Mr. Bruce Whittaker, 1924 160th Avenue NE, said he and his wife live in Park Place, a residential development at the southeast corner of the Bellevue Technology Center site, just to the south of the baseball diamond at the high school. He said his house looks out to the west, adjoins the Bellevue Technology Center property, and has views of the trees that provide an excellent buffer between the commercial development on 156th Avenue NE and the residential areas to the east. He said in looking to purchase the home in which he now lives he conducted due diligence by meeting with the Bellevue Technology Center property owner and by visiting City Hall to look at all of the documents and was satisfied that the restrictions were substantial and that they would remain in place. The 156th Avenue NE corridor between NE 40th Street and Crossroads is a good example of the traffic problems facing the area. The corridor can actually be walked faster than it can be driven, especially during the evening peak period. The original PUD got things right. It was set up properly and it should be left in place as recommended by the staff.

Ms. Toren [ElseyElsde](#), 2064 West Lake Sammamish Parkway, said she has been a resident of the area for more than 31 years. She said she remembers as a child walking through the Bellevue Technology Center site to stores, walking the back way to Crossroads, and going to Angelo's Nursery after school with her mom. She said she also enjoyed seeing the horses on the horse farm. The amount of development already happening around the area is disconcerting. Light rail is coming to Overlake; LIV Bel-Red is where Angelo's used to be; and Hyde Square is coming with 618 apartments. All of that development is occurring very close to the Bellevue Technology Center area. Development is happening in Redmond as well, including on the old Group Health site. Even the Microsoft main campus is within a mile of the Bellevue Technology Center site. She said she works in sustainability at the University of Washington and is every day reminded how important it is to have green space, especially in urban areas, that creates habitat for wildlife, improves air quality, and improves the well-being of everyone. The city should consider preserving the small amount of green space left in the ever-developing Overlake area.

Ms. Gail Toney, 1910 160th Avenue NE, said her property is adjacent to the Bellevue Technology Center on the east quarter. She said the Council's vision statement talks about embracing the future while respecting the past. The Bellevue Technology Center site clearly falls into that category. The property has been treasured by the citizens for decades and is an important part of the neighborhoods' past as well as the future. The Commissioners were asked to respect the past and uphold the decisions and agreements that were made to protect the neighborhoods. The Council's vision statement goes on to talk about neighborhoods being defined by the people, as being safe and friendly places to live, and repeatedly talks about Bellevue as a city in a park. The livability of the neighborhoods would be severely impacted by development of the site. The concept of a city in a park is diminished daily by the loss of more and more of the tree canopy and natural spaces. The Bellevue Technology Center site has one of the last remaining significant stands of trees in the city. Keeping the trust of the city is also a big part of the Council's vision statement. Keeping the trust of the residents by continuing to be a community that cares for all people is another vision. Citizens in the city are expressing with more frequency frustration with the way in which city government is letting them down. The Commission can help keep trust in the city by putting the citizens first and not capitulating to all

the developers who come to Bellevue. The vision for regional roads that limit the impacts on neighborhoods is lovely in concept, but in reality there is no place for more roads in the area. Cut-through traffic in the neighborhoods is already substantial and will only increase. If the vision for Bellevue is to be a city inspired by nature with an abundance of open space, every effort should be put into trying to stop destroying the natural and open spaces of which there are very few left. They should be protected. The success of Bellevue as a city and the strength of the neighborhoods is not a fluke, rather it stems from decades of community work, foresight and planning. Past city officials recognized the need to protect the Bellevue Technology Center site and the current city officials should do the same. Many in the area purchased their homes knowing they were protected by the PUD, the natural barrier and the wooded nature of the site. KBS has presented conceptual plans at its open house events that show large buildings being built within 50 feet of some backyards. One of the things Mr. McCullough did not note is that while growth is expected in areas other than Bel-Red and the downtown, the infill that is allowed under the current zoning does not include the Bellevue Technology Center site. The amendment is not wanted, is not necessary, and should be rejected.

Ms. Gracie Toney, 1910 160th Avenue NE, said her home is next to the Bellevue Technology Center. She said she loves to ride her bike there and ~~take~~ walks with her dog there. The site is one of the only big places in Bellevue left with trees. If they cut down all the trees and put up big buildings, she said she would no longer be able to see them, and the homes of animals would be destroyed. In the morning when her mother drives her and her sister to school, sometimes 40 or more cars go by before getting out of the neighborhood. If lots of buildings are put up on the Bellevue Technology Center site, it will not be possible to get out of the neighborhood.

Ms. Gabby Toney, 1910 160th Avenue NE, said she hoped the city would not let all the trees on the Bellevue Technology Center site be taken down and the meadow removed because lots of birds and animals live there. She said she likes to walk her dog there and to be out in nature with all of the trees. She said not long ago she was with her mom driving down the street in front of the Bellevue Technology Center. The mountains could be seen along with the sunset, and it was beautiful. Now there are just tall ugly apartments and the beautiful sunset can no longer be seen. In the movie *The Lorax*, all the trees got cut down and the people has to use fake air and fake trees. She said she was worried that in the future Bellevue's world might be like that. As the *Lorax* said, unless someone like you cares a whole awful lot, nothing is going to get better, it's not.

**\*\*BREAK\*\***

Ms. Karen Campbell, 2447 160th Avenue NE, said she is a Sherwood Forest resident just north of the Bellevue Technology Center site. She shared with the Commission a photographic tour of the neighborhood. She said residents of Northeast Bellevue are well aware of the traffic problems given the rating of LOS E-. Development of the area has increased, including the Spring District, the old Redmond Group Health site and the massive apartments on the west side of 156th Avenue NE. The views and the trees are disappearing, and sunlight during the day is being diminished.

Mr. Ruby Coache, 15869 Northup Way, said she is 11 years old and lives in a neighborhood across from the Bellevue Technology Center. She said she is a fifth grader and a Girl Scout. She pointed out that some signs were placed outside of the Bellevue Technology Center to inform everyone about the public hearing, but they were stolen by some adults, which is a really bad thing. She said lots of people are thinking about cutting down the trees and ~~replacing~~ replacing them with parking lots and buildings. She said she did not agree with doing that. Trees and plants

~~givegiven~~ oxygen, and cutting down the trees will mean the oxygen level will immediately become lower in the area. It takes a day to cut down a tree, but it takes many years to grow one. Traffic is bad and she has even been late for school because her mom could not get out of the neighborhood. The animal habitat in and around the Bellevue Technology Center will be destroyed if the trees are cut down. The animals should be allowed to rest in peace. Every year she goes up to the meadow and sleds down the hill during the winter when there is snow. Building buildings and parking lots will mean kids cannot do that anymore.

Ms. Jennifer Wong, 4505 152nd Lane SE, said she and her twin sister Julie, both 15 years old, used to live in Shanghai, China's biggest city and a global financial hub. She said every day she struggled with tall skyscrapers, cars, subways and other things, and played in parks with manmade lakes. The city largely lacked green space and pollution continues to be a huge problem caused by daily traffic flows, the burning of fossil fuels, and the huge population. Most importantly, Shanghai lacks trees to offset the daily emissions.

Ms. Julie Wong, 4505 152nd Lane SE, said she and her sister moved to Bellevue when they were 11 and they were surprised by the diversity of the area, where the air is fresh and the water is drinkable and the sky is blue. Pollution is not only a problem in Shanghai, however. During the recent spring break, her class traveled to New York and upon landing it seemed like being back in Shanghai with the familiar smells of pollution. New York, like Shanghai, has tall skyscrapers, subways, cars and pretty much everything besides green space. Even though New York and Shanghai are miles apart, they face similar problems. The skyscrapers are so close to each other than there is no buffer between residential and commercial areas. Bellevue should not be allowed to become another Shanghai or another New York. Bellevue should flourish and become an economic center while preserving nature.

Ms. Amy Lee, 3068 169th Avenue NE, spoke as vice president of the Ardmore Community Club and opposed to the Bellevue Technology Center Comprehensive Plan amendment. The Community Club represents some 300 households and is a social group rather than a political group. She ~~said~~ by talking to people in the Northeast Bellevue communities she has learned that people care about the issues, but they have a deep emotional pain at the thought of losing the environmental habitat of the trees and the meadow. It is important to their quality of life and what they value about Bellevue as a city in a park. Members of the Community Club were encouraged to sign the petition and did so. She presented the Commission with eight pages of signatures from the Silver Glen active retirement community that is located at the intersection of NE 20th Street and Bel-Red Road.

Mr. John Latino, 16516 NE 27th Place, stated his opposition to further development on the Bellevue Technology Center site. He said he opposed amending the Comprehensive Plan so as to enable such development. He said he purchased his home in large part because of the residential feel and the abundance of trees and open space, much of which is contributed by the Bellevue Technology Center property. Bellevue is known as a city in a park and it should work to keep it that way. Development of the Bellevue Technology Center site will ruin the character of the area and would have a negative impact on home values in ~~addition to~~ ~~additional~~ overall quality of life.

Mr. Kurt Howler, 16243 NE 30th Street, said he moved to Bellevue in 1966 when what is now the Bellevue Technology Center was the Hungerford dairy farm. The farm had been there for a long time and the residential developments had moved in beside them, and the residences were protected by the trees on the south, the east and the north sides. Whether designed that way or not, the trees provided a buffer. In the late 1960s the property was sold and the developer wanted to do things that were incompatible with the nearby residential areas. The Sherwood Forest



neighborhood engaged a well-known land use lawyer who suggested taking a long-range view of the property. With his guidance, the neighborhood worked with the city and the landowner to come up with something that would work for the long term. The plan that was crafted allowed the owner to put in a commercial development that could not be seen from three sides. Over time, the site has developed exactly as envisioned. Nothing has changed from the original vision, and no changes should be allowed on the property.

Ms. Marilyn McGuire, 16223 NE 25th Street, said she moved into the Sherwood Forest community in 1961, and as an adult returned in 1995 to live in the same property. She said her dad used to say it is not possible to put two pounds of anything in a one-pound bag. Much has been said about attempts to do that with all of the building and all of the traffic, and the result is a risk to quality of life. The approach of KBS has been to do whatever needs to be done to get things changed. Their efforts have been disingenuous. There will be no benefit for the neighbors if the site is allowed to redevelop. The result will be more traffic, less green, and a triple-sized footprint. The neighborhood property values are important, the PUD is important, and quality of life is important. Just as school children need adults to get involved in preventing bullying, the neighborhoods need the city to preserve quality of life, homes, streets and neighborhoods. The Commission was asked to deny the Comprehensive Plan amendment by just saying no.

Ms. Pamela Johnson, 3741 122nd Avenue NE, said she attended the Sound Transit meeting at the Highland Community Center on June 13 where it was evident that there is fear in the community that the city will be overrun with development. Many who attended voiced fears that their neighborhoods would be taken over next. KBS is not an ordinary developer and the Bellevue Technology Center is not an ordinary property. The fact is there is a PUD in place that was agreed to years ago. Everyone fears a land grab, and the proposed Comprehensive Plan amendment is just a different kind of land grab. A deal is a deal and the facts are the facts. Throughout the city where the new light rail route will run there are neighborhoods that will need to be preserved. Proximity to a station is not a good argument for simply taking over a neighborhood with transit-oriented development. The property owner is allowed under the law to continually seek to change the land use on their site, but their continual coming back with a new idea is not wearing down the community. The property owner has conducted public outreach, but that has not necessarily included listening to the public; if they had listened, they would know that the community does not support their proposal. The transportation level of service in the area is rated E-, which is the lowest grade there is. There is a Comprehensive Plan policy on the books calling for 40 percent tree canopy, and it would be good to know what percentage tree canopy there is in the area of the Bellevue Technology Center site. The city needs to have a way of dialing back growth until the infrastructure is ready.

Mr. Grant Gilkinson, 16008 NE 26th Street, said he is a second generation Sherwood Forest resident. He said his mother, a past member of the Planning Commission, moved to Bellevue in 1962. The PUD that is in place is the direct result of work by long-term residents who wanted to preserve open space for kids, many of whom had enjoyed the original farm on the Bellevue Technology Center site. The PUD allowed change to happen on the site while also allowing for the future to be controlled. An agreement is an agreement and it should be left in place.

Mr. Reggie John, 15803 NE 27th Place, spoke as the current president of the Sherwood Forest Community Club. He said the vision outlined in Bellevue Comprehensive Plan includes growing in a manner ~~that~~ enhances the livability of the community while maintaining ~~those~~ elements that residents cherish. Growth in Bellevue is focused in denser mixed use centers like downtown, Bel-Red and Eastgate, while maintaining the city's outstanding natural environment and the health and vitality of established residential neighborhoods. To the residents, the vision is

compelling, but it is at risk. The residents of Sherwood Forest and the neighboring communities urge the Commission to uphold the recommendation of the planning staff to not approve the policy changes proposed by KBS.

Ms. Sheila Dupree, 1700 159th Place NE, said she came to the Eastside for the first time in her dad's 1947 Pontiac via ferry across the lake. She suggested that all of the residents opposed to the proposed Comprehensive Plan amendment should simply band together and buy the property and turn it into a park. Or the city should buy the land and turn it into a park.

Ms. Janet Castaniela, 2447 161st Avenue NE, noted that the online petition had been signed by more than a thousand people, and the petition taken door to door has been signed by more than 400 people. People willingly opened their doors and invited the petitioners in to talk about the issue and to ask what they can do. There have been community meetings as well. Traffic congestion has been a top topic, as has preserving the PUD.

Mr. Bryce Eden, 816 2nd Avenue, Seattle, spoke as the state policy director at FutureWise. He said for over 25 years the organization had worked to prevent sprawl in order to protect Washington's resources and make the urban areas livable for and available to all. The organization focuses on preventing the conversion of natural resource areas, such as working farms and forests, to subdivisions while directing growth and ensuring an equitable approach to affordable housing, effective transportation, and environmental quality in urbanized areas. He said he was present in support of updating the Comprehensive Plan and the proposed amendment. Bellevue is required to abide by Vision 2040 as well as the Countywide Planning Policies in addition to its own policies. Bellevue is also a signatory of the growing transit community strategy, which is supported by goals and strategies in the Comprehensive Plan. In its analysis moving forward, Sound Transit is using a walkshed minimum of half a mile. Within the Sound Transit system plan they have added dollars for transit-oriented development as well as access funds. The access funds are for anywhere between a half a mile and three-quarters of a mile, and FutureWise is working closely with them to identify a policy that will push them to a mile. Through current studies across the nation, it is known what high-capacity frequent transit results in the opportunity to walk further than previously anticipated under regular metro. In addition, Sound Transit runs a three- to six-mile bike shed. The Bellevue Technology Center site is part of the significant change due to the recent developments within Sound Transit's policies included in the ST-3 system plan. He suggested the Commission should continue to look at how Vision 2040 impacts the growth and development within Bellevue and on the Bellevue Technology Center site specifically.

Commissioner Carlson commented that one of the issues with mass transit, whether it be by bus or light rail, is the availability of parking for commuters. He asked where FutureWise sees that happening. Mr. Eden said the current Sound Transit plan relies on park and ride lots in urbanized areas, to which ST-3 adds some 15,000 spots. The fact is, the area will grow by more than a million people whether anyone wants the growth to occur or not. To accommodate that growth, the city is going to need to allow for gentle infill development that will use the infrastructure being put in place. Sound Transit will continue to relieve the pressure on the roadways, in part by relying on transit-oriented development opportunities.

Commissioner Carlson pointed out that in fact parking is going away at the same time bus and light rail services are expanding. He said many drive first in order to access the bus and light rail and he asked where that parking will occur. Mr. Eden said the point of the site is that people will not be driving there. It should be understood that there will be a wide range of uses across all of it. It will not be possible to make transit accessible for everyone, so there will need to be multiple

options. The only way to do that is by providing transit-oriented development options such as on the Bellevue Technology Center site to allow people who do not need to use their cars to access the site in alternative modes. Part of the vision will be less parking overall. In Seattle, the transit commute rate for new people arriving in the region is well over 70 percent. Alternative modes of transportation will be needed to alleviate some of the traffic congestion on the current roadways, which cannot be expanded any more. Commissioner Carlson said the Seattle vision of increasing density in single family neighborhoods is not the Bellevue approach. Mr. Eden allowed that FutureWise is fully supportive of increased density across the central Puget Sound region, which also happens to be a requirement under the Growth Management Act and under the Bellevue Comprehensive Plan and under Vision 2040. Commissioner Carlson said Bellevue's focus has been on directing growth in the downtown, the Spring District and Eastgate specifically to preserve the character of the single family neighborhoods.

Commissioner Barksdale said the FutureWise website says the organization focuses on preventing the conversion of wildlife habitat, open space, farmland and working forests to subdivisions and development. He suggested that statement seems contrary to supporting development on the Bellevue Technology Center site that will in fact remove habitat and open space. Mr. Eden said within the Growth Management Act there is something called the Urban Growth Boundary which is intended to prevent sprawl. Density needs to be increased inside the Urban Growth Boundary through the use of gentle infill that protects open spaces. If that is not done, the result will be sprawl beyond North Bend up toward Snoqualmie Pass, destroying natural forests and making traffic even worse.

Mr. Emmanuel Solis, 2447 161st Avenue NE, apologized that the Commission has had to hear the same arguments over and over again for the last four years. He said the residents of northeast Bellevue are also very tired of having to defend the community from the interests of out of state companies that are focused only on profit. The Bellevue Technology Center site is what it is because of the PUD that is in place; without the PUD, the trees and the open space would all be gone. The PUD preserves the meadow and all of the trees, not just the trees around the perimeter. The PUD is doing the work it was designed to do. The meadow and the trees have been preserved, and development has been allowed on the site. By following the recommendation of staff, nothing will be taken away from KBS. KBS is asking for something they have never had, and they are asking that something be taken away from the community and be entrusted to them. One good thing about all the years of meetings and hearings and documentation is that the northeast Bellevue communities have banded together with a common cause.

Commissioner Carlson informed the chair that he would need to leave the meeting soon, and he noted that because Commissioner Laing had already left, his leaving would mean the Commission would not have a quorum. Mr. Cullen confirmed that absent a quorum, the meeting would need to stop.

Chair deVadoss noted that comments can be submitted online at any time.

A member of the audience suggested the Commission had heard enough to be able to say no to the Comprehensive Plan amendment and to not move it to the next phase. Mr. Cullen explained that the intent of a public hearing is to allow anyone who wants to share their viewpoint to do so in a caring and respectful environment.

Ms. Michelle Niethammer, 15897 Northup Way, thanked the Commissioners for their time. She said the PUD has been valuable in preserving green space through solid planning. In areas where there is no PUD in place, such as in Redmond, the result has been clearcutting ahead of

development. Taking away the restrictions from the Bellevue Technology Center property will give KBS a blank check. The property owner has not submitted any development plans for the site in order to keep secret their real intent. The trees will come down and it will take many years for them to grow back. KBS says is has engaged ~~Forterra4Terra~~ to create permanent conservation for the site. That is something that is already in place with the PUD. All ~~Forterra4Terra~~ would do is protect what does not get destroyed. The property owner claims the city has not given consideration to the Bellevue Technology Center site in the Comprehensive Plan, but in fact the site has been more planned than any square inch of land in the entire city. The site has been documented up, down, right and left. To say the site has been overlooked in the planning process is utterly ridiculous. KBS talks about transportation studies, but they have had three years to do them, though they have not shared the results of a single one. Traffic in the area during the peak hours is bad and is getting worse, and the peak period is expanding. People are having to plan their lives around when they can get into and out of their communities. Much has been said about transit-oriented development, which in short involves building around train stations. The concept does not extend to buying a piece of property and hoping the bus drives by. The Bellevue Technology Center has 300,000 square feet of office space, which makes it a major employment center. It does not, however, make it unique as the same exists in other areas around the city. The Commission was urged to avoid overdeveloping the city. There is huge development coming, and the last thing the city wants is vacant buildings and developers going bankrupt and trying to sell properties. The Spring District is planned and should be allowed to fully develop before figuring out what more is needed. She guaranteed that in six years, everyone will still be happy to have the Bellevue Technology Center green space.

Mr. Cullen said Commission could decide to either end the public hearing or continue it to another date. Either approach would require a formal action. He strongly recommended against letting a lack of quorum cause the meeting to end abruptly.

A motion to continue the public hearing until 9:45 p.m. was made by Commissioner Carlson. The motion died for lack of a second.

Commissioner Walter suggested limiting testimony to two minutes each. The suggestion was not discussed further.

Chair deVadoss said if possible, he would like to continue the public hearing even without a quorum. Mr. Cullen explained that absent a quorum, there would be no public record. The Commission cannot conduct business without a quorum.

A member of audience expressed frustration at the notion of ending the public hearing without everyone being allowed to speak. He said he had skipped his son's last Boy Scout meeting in order to be present, and said he was sure others in the room were waiting to speak.

Chair deVadoss said if the meeting must end, the public hearing should be carried over to the next Commission meeting. He said he would entertain a motion to continue the public hearing to June 28.

Commissioner Barksdale suggested limiting the public hearing time on June 28 to no more than one hour. Chair deVadoss pointed out that there were 30 people on the sign-up sheet who had not yet spoken. At three minutes each, that would be a minimum of an hour and a half. He said to be conservative, at least two hours should be allowed.

Commissioner Barksdale asked if testimony at the next meeting could be limited to just those

persons who are on the list. Mr. Cullen said public hearings are open to the public and to anyone who wants to speak. The Commission can, however, put a time limit on the length of the hearing, and the continued public hearing could begin with those already on the list.

A motion to carry over the public hearing to June 28 and to limit it to an hour and a half was made by Commissioner Barksdale. The motion was seconded by Commissioner Walter and the motion carried unanimously.

Mr. Shawn Sheridan, 17419 NE 12th Street, said he raised four children at that address. He said his eldest is currently enrolled in college in New York City and reports having nightmares of coming home and finding the trees cut down. When home, she walks past the grove of trees on the Bellevue Technology Center twice daily, and she is distraught when she thinks about what might happen to the site. New York City without Central Park would be a nightmare. More than a hundred years ago someone had the foresight to save land in the middle of a very dense city. He said in coming home every day, he purposefully drives through the Bellevue Technology Center site in order to relieve his stress. He said he was amused by the arguments of KBS that appear to be legal maneuvering rather than an attempt to do what is right. To say they want to go from 0.16 usage to 0.5 usage and to call it a small increase is laughable. They would not be laughing if someone were proposing to cut their salaries by the same percentage on the claim that it is only a small change.

Mr. Hayden Hoppert, 1905 160th Avenue NE, said he was opposed to the Comprehensive Plan amendment. The applicant says the map and Comprehensive Plan has not been amended since 1988, but in fact the entire Comprehensive Plan was updated and readopted very recently. It is clear the property has been looked at since 1988. The property owner says that development on the site is not excluded, that there are other concentration areas. While that is true, that is not the intent of where the growth is focused; other growth is considered to be organic and will occur without requiring huge public hearings and tripling the amount of development on a given site. The neighborhood property owners feel that in general KBS has been disingenuous in many of their dealings, making it hard to believe them when they say they have no specific plans for the site and when they say they will save the trees.

Mr. Robert Pomeroy, 16055 NE 28th Street, said he has been a resident of Sherwood Forest for 20 years. He noted his support for keeping the PUD in place permanently. If the arguments of the applicant sways the Commission, the timing is not right for redeveloping the site given all the construction in the areas targeted for high density on the west side of 156th Avenue NE and the impact of those changes cannot yet be measured. He said he regularly is a pedestrian on 156th Avenue NE and often passes cars.

Mr. Mark Thorpe, 2604 169th Avenue NE, said there are two major issues with the proposal. Traffic is one. In the presentation made by KBS a couple of years ago they talked about a thousand additional parking slots. Now they are talking about people coming to the site by bus and light rail, which is not what their intent was two years ago. Anything that will add to traffic in the area will not be welcomed. The applicant says they will preserve the meadow and the trees, but in fact the PUD that is in place already does that; no additional protections are needed. The photos submitted by the applicant showing changes in the area are all focused on the area to the west and the south. If photos were to be taken to the east and the north, they would show that nothing has really changed for a very long time. He pointed out that more than a hundred persons were in attendance at the public hearing, and added that the last time there was a public hearing regarding the site a similar number of persons attended. People clearly care about the site. The recommendation of the staff should be approved.

Ms. Deb Wexler, 15811 Northup Way, said she has lived in the area for only three years but chose the area in large part due to the greenbelt on the Bellevue Technology Center property. She said her thought at the time was that Bellevue did things right. She said when she asked about the greenbelt, she was told that it was to be permanent. The PUD does more than preserve memories, it also preserves property values and lifestyles. The applicant has asked to be allowed to move the proposal forward, in part to allow for more community outreach. The neighborhoods would like to know how many more times they will need to say the same things before being heard.

Mr. John ~~Haro~~~~Harrow~~, 2431 161st Avenue NE, said he has lived in Sherwood Forest for 30 years. He noted that page 3 of the Commission packet included a statement from planning staff regarding traffic impacts from the Overlake Village developments in Redmond. Included in the statement was the notion that Bellevue is not planning for infrastructure outside of currently planned areas. That was affirmed in the 2015 major Comprehensive Plan update and the growth projections in the Northeast Bellevue Mobility Management Areas. Based on public information, the formerly Group Health site will have 1400 residential units, 1.4 million square feet of commercial, and at least 675 parking stalls, possibly twice that many when they are done. Overlake Village South will have 1805 parking stalls. The LIV apartments have 476 parking stalls. Sherwood Center apartments have 800 parking stalls. The Microsoft OBAT (Overlake Business & Advanced Technology zone) height limit approval means they can take the original campus buildings ~~rebuild~~~~can be rebuilt~~ up to nine stories and have an unknown number of parking stalls. That is a total of 3756 known parking stalls. The KBS documents call for 2785 parking stalls on the Bellevue Technology Center site, which would bring the total to 5500 parking stalls coming into the Overlake area. If the cities of Redmond and Bellevue are interested in traffic improvements to accommodate all the traffic from new developments in the area, and if they are interested in promoting high-density live/work solutions to reduce traffic congestion, it is questionable as to why they are approving so many new developments with attached large parking facilities. The Commission was urged to agree with the recommendation of the staff.

Mr. Lee Sergeant, 16246 NE 24th Street, said he has lived at his current address for 38 years. He said he worked at Unigard for 32 years and walked to and from work. He said originally there was gravel on the side of the road to walk on but the city has since put in paved sidewalks on both sides of the street, which has reduced the number of accidents at 164th Avenue NE and NE 24th Street. The city has done a good job, but there is still room for improvement. Until additional improvements are made, the obvious choice is to wait until some future time to even consider changes to the Bellevue Technology Center site.

Ms. Kathy Benetary, 16255 NE 26th Street, said she has been a Bellevue resident since 1983 and purchased her home in Sherwood Forest in 2001. She pointed out that the schools are at capacity and parents face a race to register their students on a first come-first served basis. There is no room for additional students. She said her daily commute is very stressful because it is not easy to get into and out of the neighborhood. There is new development happening all around the area, all of which will make traffic worse. Local residents are feeling betrayed by the city and no longer brag about how nice a place ~~to live~~ Bellevue is to live. The Commission was urged to reject the proposal.

Commissioner Carlson pointed out that a lot of the development people are concerned about is occurring in Redmond.

Mr. Dan Krevinson, 2555 162nd Avenue NE, said he moved into his present residence in 1988 and has seen a lot of changes in development. He suggested the city should be celebrating the success of the PUD that is in place, and those who worked to see it instituted should be acknowledged. The Commission was urged not to pass the Comprehensive Plan amendment on to ~~final review~~Final Review.

Mr. Reed Miller, 15929 NE 27th Place, said the applicant has claimed to have performed outreach to the community, but has said nothing about the response received. The fact is they have consistently ignored it. They should probably have checked with the community before purchasing the site. They have chosen to talk about the amount of time they have invested, which has really been time spent trying to subvert the PUD in direct opposition to the community. The time they have spent is irrelevant, and so ~~is~~ their expense. There are plenty of locations in Bellevue being allowed to grow and develop. KBS knowingly chose to purchase the site knowing the PUD was in place, also knowing that the previous owner tried and failed to remove it. The PUD was put in place specifically to prevent further development on the site and its purpose has not changed, nor has the community's support for the PUD. The community has been fighting the fight longer than the current applicant and will continue to fight long after they have given up and sold the site to the next guy who thinks the PUD and the community can be steamrolled. The Commission was asked to consider the cumulative time put in by all the unpaid people opposing the proposal each time the issue has come around.

Mr. Bill Kapadano, 1904 161st Avenue NE, said his home is just around the corner from the Bellevue Technology Center site. He said he grew up on the East Coast but moved to the Seattle area in 1999 to work for Amazon and Microsoft. He said he believes in moving forward but also in protecting the past. He said he moved to Bellevue because of the city's diversity. He said as a business person and as a marketer, KBS has done a terrible job of researching and understanding their audience. They have done a poor job of trying to solve problems by talking to their target audience, and especially of trying to understand the needs of the target audience. Sometimes businesses make investments that fail, and when they do they must move on to the next thing. The Bellevue Technology Center site is a battle the community is willing to stay in for the long haul. KBS has really done nothing to engage with the community and the Commission should vote down the proposed Comprehensive Plan amendment.

Mr. Shawn Donohue, 1617 185th Avenue NE, said his home is in the Tam O'Shanter community. He said there are probably 2000 homes between his and the Bellevue Technology Center, the owners of which must rely on only two roads, both of which skirt the Bellevue Technology Center site. If the site is redeveloped and the expected traffic evolves, adding to the traffic from all the current development, there will be far more pain. Traffic is already at LOS E- and there are no options. He said his wife is from Madrid where there is a light rail system, but no one walks to access the train, they all drive or gets someone to drop them off. There are no places to build additional roads, so there is no way to mitigate all the extra traffic. He said he owns two homes in the Tam O'Shanter community and is afraid that his property values will drop because of the traffic issues.

Ms. Heidi Wrestler, 917 168th Avenue NE, said she had the pleasure of growing up in the 1970s at 1903 143rd Place SE. She said she watched the widening of 148th Avenue. Houses were lifted up and rolled out in the middle of the night to accommodate the work. The businesses that developed along 148th Avenue were interspersed with residences and kids had places to go get jobs. She said her concern is that ten years down the road 164th Avenue NE, the only escape route from her neighborhood, will also be widened, with houses lifted up and rolled away. Once that street becomes a boulevard, the beautiful trees in the affected neighborhoods will be lost.

When the new extension for I-405 to SR-520 was done, trees had to come down, pushing the road closer to the neighborhoods, and increasing the overall noise. Taking trees out will mean noise levels will increase and water quality will be reduced. The sidewalks around Crossroads Mall should be repaired.

Ms. Pam Toelle, 14845 NE 13th Street, said she lives in the Chevy Chase community which has been involved in community issues since its inception. She said she has been involved with land use and transportation issues along with the Sherwood Forest community over the years. She said her personal goal is to preserve and protect neighborhoods from more intense uses, which is a Comprehensive Plan policy. Times have changed: 148th Avenue, which used to be a two-lane country road, is now a major boulevard and is often referred to as alternate I-405. In the 1970s there were two PUDs established: the Bamco property across from Highland school, and the Unigard property. Both were planned and designated PUDs to protect neighborhoods from more intense uses and different kinds of uses. The Bamco PUD limits the kinds of uses in businesses near the school to those that will not attract children. The Unigard PUD was established to protect the neighborhoods from different kinds of uses and intensity of uses. Under King County, the Hungerford farm was zoned OU, and then later OU-R, which means designated for residential. In both cases, the reasons for establishing the PUDs have not changed. She said she was proud to be part of a community that worked with the city in pioneering a process that keeps property owners from annually seeking amendments for the same properties.

Ms. Carolyn Stanley, 1915 177th Avenue NE, said her property is at the dividing line between Redmond and Bellevue. She noted that the current electric grid is operating at capacity, yet development continues without adequate infrastructure. Redmond recently came to her neighborhood to talk about the water pipeline that will be coming down NE 24th Street in the next two years. That project will trigger huge traffic impacts. She said her son is a senior at Interlake high school where the motto is Honesty, Integrity and Scholarship. That motto is how the children are asked to live. City employees should have the same motto. She said in her professional life she works as an advocate for families and children, those facing domestic violence situations and those without a voice. She said there is family disintegration and a loss of connection going on in the community. More traffic means less time together. There are learning and cognitive developmental issues that have come as a result of people living in large cities that have been documented by the World Health Organization, the Centers for Disease Control, the Department of Health and Human Services. Overdevelopment has negative impacts on children and their families, impairing the ability of children to learn how to read, affecting executive functions, creating behavioral issues, and triggering hyperactivity and sleep deprivation. Cancers have been identified as being triggered by high traffic and pollution in cities across the nation and around the world. There is an increased impact on physical health, resting heart rates and blood pressure, increased cortisol levels, increased lipids and heart disease in children. In January 2016 there was a car accident on 160th Avenue NE and Northup Way that she witnessed. She said she helped direct traffic because the police could not get there for half an hour because of the traffic. The safety of Bellevue's children must be considered.

Chair deVadoss thanked Commissioner Carlson for staying so the Commission could retain a quorum for the public hearing and make it all the way through the list of persons signed up to speak.

A motion to close the public hearing and to rescind the motion to continue the public hearing to June 28 was made by Commissioner Barksdale. The motion was seconded by Commissioner Walter and the motion carried unanimously.



PUBLIC COMMENT  
(10:21 p.m.)

Mr. Guy McGrauby, 2428 159th Avenue NE, noted that in the neighborhoods around the Bellevue Technology Center there are some 2000 homes. The Hyde Park development alone has more than 1100 units. The infrastructure in place was meant to serve 2000 households, but now it will need to serve 3000 households. Every year the traffic problems have become worse as more development has occurred. It can take up to ten minutes during peak times to get out of the neighborhood.

ADJOURN  
(10:23 p.m.)

A motion to adjourn was made by Commissioner Barksdale. The motion was seconded by Commissioner Walter and the motion carried unanimously.

Chair deVadoss adjourned the meeting at 10:23 p.m.