

CITY OF BELLEVUE
BELLEVUE PLANNING COMMISSION
STUDY SESSION MINUTES

April 27, 2016
6:30 p.m.

Bellevue City Hall
City Council Conference Room 1E-113

COMMISSIONERS PRESENT: Chair Hilhorst, Commissioners, Barksdale, Morisseau, Walter

COMMISSIONERS ABSENT: Commissioners Carlson, deVadoss, Laing

STAFF PRESENT: Terry Cullen, Department of Planning and Community Development, Carol Helland, Patricia Byers, Development Services Department

COUNCIL LIAISON: Not present

GUEST SPEAKERS: Shannon Bingham, Jack McCloud, Bellevue School District

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:35 p.m. by Chair Hilhorst who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present with the exception of Commissioners Carlson, deVadoss and Laing, all of whom were excused.

3. APPROVAL OF AGENDA

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

4. SPECIAL GUEST SPEAKER: BELLEVUE SCHOOL DISTRICT SENIOR STAFF

Shannon Bingham, a school planning consultant for the Bellevue School District, said he does all the enrollment forecasting, growth monitoring, long-range planning, and specialized program relocations for the district. He shared with the Commission a rendering of the new elementary school to be constructed in the Wilburton neighborhood. He said he is currently working with stakeholders regarding the boundaries for the school, and possible changes for the middle and high school feeders associated with the school.

Mr. Bingham said the forecast is for the Bellevue School District to reengage its historic high 1969 enrollment level of 24,000 students in about eight years. The district has been growing by some 550 students every summer for the past few years. Many families are moving into existing housing, though families are also moving into the downtown and are expected to move into the Spring District. The general trend is for families to move into multifamily housing. On average, two and a half single family homes generates one student; three and a half duplex, triplex and

fourplexes generates one student; nine garden apartments generate one student; and 40 units in stacked highrise developments generate one student. The big highrise projects in the downtown usually have between five and 15 students living in them. In planning for future district needs, it is necessary to stay on top of the total number of units of each type in the city.

Enrollment growth has been strong over the last three or four years. Existing neighborhoods in areas such as Somerset, Eastgate, Newport Heights and Stevenson are seeing a lot of what is called flipping in which retirement age residents are selling their homes to younger families. In neighborhoods where there are virtually no new housing projects, the district is seeing student growth happening from the existing housing stock. Students are also expected to come from the city's five major areas that are forecast to grow, namely Bel-Red, downtown, auto row, Factoria and Eastgate; each of those areas will be a hub for the multifamily housing. In the Stevenson area where there is a lot of low- and moderate-income housing, there are families moving in specifically so they can put their children in the Bellevue School District.

Mr. Bingham said land limitations mean there likely will be no new high schools built. The \$125 million project to upgrade Sammamish High School is just about completed. The capacity there will be about 1850 students which in the near term means there will be room for some 600 new students over the present enrollment level. Ten classrooms are also being added to Newport High School. Consideration is being given to adding portables to the Interlake High School campus. There are already five portables at Tyee Middle School and quite a few at Newport High School on a transitional basis.

Mr. Bingham stressed the need for the district and the city to work together to understand how many students will be produced by the new multifamily units in the heart of the city. Part of the equation will be knowing the makeup of the units; some may be for adults only, while others may be priced out of the range of families, and still others may have bedroom counts that do not work for families.

On average, Bellevue High School starts with 92 students in the ninth grade that have not previously been in the district; Chinook Middle Schools sees 75 new students every year, none of which have been in the district before. The same is true at Tyee Middle School, which saw 52 new students start the school year, and at Interlake High Schools where students at all three levels are coming into the gifted program from other school districts. The trend is called a market-driven growth phenomenon, something that is rare nationally where growth is primarily housing related.

Commissioner Barksdale asked what role private schools play. Mr. Bingham said Bellevue has fewer private schools relative to other school districts. There are schools that offer certain education products, including the International School where every year only about half of those who apply get accepted. The district's market share is very high relative to other school districts. Commissioner Barksdale asked if that is projected to continue to be the case in the coming years. Mr. Bingham said the projection is for the market share to remain about the same.

Mr. Bingham said 39 percent of the families moving into multifamily housing units are new to the district, whereas only 26 percent of the district's existing families are in multifamily housing.

The district has six properties that at some point will see some evolution: Three Points near SR-520 close to the bridge; Wisk, which is currently is home to an education support facility; Highlands; Ivanhoe; and the two swing schools Bellewood and Ringdall. Collectively, the properties serve as the district's ace in the hole for addressing future growth, particularly given that land is very expensive and there is little vacant land in the city to work with. Economics will

prevent the district from locating a pedestrian school in the Bel-Red corridor near the light rail station and near the new housing units that are set to come online.

Mr. Bingham said the district has received some excellent data from the city regarding various study areas relative to new housing and job growth. Given the redevelopment potential in the Bel-Red corridor, the district expects to see at least another 1000-1200 students depending on whether or not the housing there will be aimed at the workforce or if it will be welcoming to families. Help is needed in better understanding what the area will ultimately look like.

Chair Hilhorst asked if the district has the capacity to support all of the students in the forecast. Mr. Bingham said the district has funding for another elementary school that would probably be able to serve the Bel-Red corridor. There also will be some excess capacity at Odle Middle School and Highland Middle School when those facilities are rebuilt. The unknown remains how many students per housing unit will be generated and the district needs assistance in projecting what the character of the units will be before the student impacts can be modeled. Timing will also be an issue given that housing will come online faster than the schools will be built out or added, and the district needs help in understanding what the annual absorption will be.

Jack McCleod, director of facilities operations for the Bellevue School District, said he oversees all maintenance and operations of the physical plants as well as all capital projects. He said the Enatai Elementary School project is scheduled for completion in August; the same is true for Odle Middle School. Demolition and rebuilding is set to begin in July at Tillicum Middle School, with completion set for August 2018. Sammamish High School redevelopment has been under way since 2014 in various stages; the students and staff have had to be moved around to accommodate work on different sections of the building. Bennett Elementary School is scheduled for a demolition and rebuild beginning in July and completion by August 2017. The new Wilburton Elementary School, adjacent to the Educational Services Center is on a vacant property the district has owned since 1972, has run up against some issues during the conditional use process and concerns voiced by the neighborhood; the schedule for the project will need to slip by a year from the original completion date of August 2017. The current construction boom citywide has also resulted in taking longer to obtain all necessary permits for construction projects.

All of the projects are funded with the exception of Newport High School. At the time Newport High School was rebuilt in 2004-2005, the school board acted cautiously and focused on maximizing the existing buildings as well as adding some new spaces. Consequently, the gym was not replaced and it remains inadequately sized for the student population. Some other spaces are also limited by the kinds of structures in place that had to be worked around. The last bond measure included funding for ten permanent classrooms at Newport High School. As the planning work got under way, several groups came out to highlight the need for space or music programs, PE programs, and other programs. The school board directed the architect assigned to the project develop a master plan and the preliminary results from his work should be ready soon. Additional funding may be needed to accomplish the additional tasks.

Mr. Bingham said the district would like to look toward being more scientific in addressing the rapid growth environments of Bel-Red and the downtown. To do that it will be necessary to continue receiving updated jobs and housing forecasts from the city which the city has very generously provided. Additionally, data is needed about the pace of infill development, renovations, the house flipping phenomenon, and how new units will be stratified by dwelling type and zoning density. The district is also interested in understanding geographically specific density to know which side of school boundary lines certain projects might land on. The desire is for the city and the district to work together in developing a contact information database. The

district continues to face challenges with respect to finding cost-effective land.

Chair Hilhorst pointed out that the Commission has a number of significant projects on its plate for the year, the majority of which involve increased density. She asked at what point Bellevue's density increases will outstrip the district's ability to handle the load. Mr. Bingham said there are virtually no vacant classrooms in the system currently. There are, however, numerous construction projects under way, most of which are adding some capacity. It would be very helpful to over the next nine to 12 months work on developing a data resource that focuses on what will be coming down the pike in the next decade, and to clarify what the densities will be and where the density will be located. A future bond election will likely be needed to add additional capacity. Affordable housing is also of great interest to the district, both for teachers and families.

Comprehensive Planning Manager Terry Cullen pointed out that the city's demographer Gwen Rousseau works with the School Board on a regular basis. He urged the district representative to put in writing any additional data needs they have so they can be more readily addressed.

5. PUBLIC COMMENT

Ms. Cathy Louvier, a resident of Bellevue Towers, reiterated her concern about policies being applied in a seemingly discriminatory manner. In particular, perimeter residents were promised that no building higher than five stories would be built across from them. In contrast, downtown Bellevue residents do not enjoy the same protection. The fallout is evident in the Lincoln Square expansion and the Center 425 building construction. The new buildings are blocking the views of residents who live in Bellevue Towers. Several photos were shared with the Commissioners, including a before and after picture. She allowed that when she moved into Bellevue Towers she was informed that there would in the future be two tall towers as part of the Lincoln Square expansion, but that there would be a gap between them. That is the way the development is progressing, but from Bellevue Towers the view between the two towers is being taken up by the Center 425 building. She said she assumed that because the Center 425 building would only be 16 stories tall, her views from the 21st floor of Bellevue Towers would not be impacted, but the geography of the downtown makes the 16th floor of Center 425 higher than the 21st floor of Bellevue Towers. While change is inevitable, downtown Bellevue residents should be given the same considerations the people on the perimeter enjoy. There should be notification of any construction that would impact residents of the downtown.

Ms. Michelle Wannamaker, 4045 149th Avenue SE, thanked the Commission for arranging to have the school district provide an update. She noted that the first residents will be moving into the Spring District later in the year, a full seven years before light rail will be available. The vision of walking or taking public transit to and from the Spring District is wonderful, the reality will be much different. Recently it was announced that REI will be moving its headquarters from Kent to the Spring District in 2020, three years before light rail comes online. Covington and Maple Valley are popular locations for Kent workers to live. With Highway 18 running through Covington, there is a good chance that workers will use the highway to get to westbound I-90, and from there the shortest route to the Spring District is to get off at Eastgate Way and work north on surface streets. An unknown number of the 1100 REI workers will be coming through Eastgate every weekday. Traffic in Eastgate is terrible but it will get far worse before it gets better once light rail arrives in the Spring District. The fact that the city is making plans to make the Eastgate corridor traffic even worse says to the existing residents and those who already travel through the area that the city does not care about them. With regard to rezoning the Eastgate RV park site, a resident recently said her family avoids the entire area between 3:00 p.m. and 7:00 p.m., and said her husband often waits on eastbound I-90 for between 15 and 20

minutes during the evening peak because of all the cars trying to get onto I-90 eastbound. King County Metro on April 25 presented an overview of its draft long-range plan to the City Council. It was clear that a huge amount of growth is planned by 2040. A Councilmember asked how it would all be paid for and the answer given was that the expected growth of one million more people will generate increased sales tax and real estate taxes. It was noted, however, that how to pay for it was not in the scope of the project, leaving questions about the feasibility of the project unanswered. The plan included a lot of growth in 2040 with completion of light rail to Issaquah. There are unanswered questions as well about what will happen with the Eastgate park and ride. Metro will host an open house on May 11 and will be taking public comment on the plan until May 20.

Mr. Todd Woosley with Hal Woosley Properties, PO Box 3325, spoke on behalf of the Kramer family, owner of the Eastgate RV site. He also thanked the Commission for having the school district discuss its plans. He added that the Transportation Commission, of which he is a member, is also looking at data-driven solutions. It will take everyone working together to accommodate growth at all levels. With regard to the transit-oriented development site adjacent to the park and ride and Bellevue College in the Eastgate/I-90 corridor, he asked the Commission to consider that the NMU site is multimodal oriented. The improvements planned for I-90 are what will break things free. The intersection of SE 30th and 150th Avenue SE is on the city's transportation plan and the Transportation Commission would like to accelerate the funding and construction of the project to coincide with the I-90 improvements. The freeway improvements were not envisioned in the Eastgate/I-90 plan but the state legislature has stepped up and funded it to add an additional lane in each direction to both handle additional trips and help to clear out the Eastgate area backups. The Mountains to Sound Greenway will run essentially past the front door of the NMU and the ability to bike or walk to the Eastgate park and ride will be opened up. There is also an existing private park and ride at Crossroads Bible Church that accommodates hundreds of T Mobile employees. With all that in mind, coupled with the economic feasibilities of what it takes to get something done, the FAR for the RV site should be greater than what was envisioned in the 2010 plan. Times have changed. The city can expect to see very little new single family homes built. Most new residents will be housed in multifamily units. One way to address that will be to allow additional multifamily housing to be built where possible both as a way to accommodate growth and to improve affordability. Before any decisions are made relative to FAR in the transit-oriented development are or other areas, a robust economic impact analysis should be done.

Ms. Maryanne Lee, 11627 SE 68th Street, also thanked the Commission for seeking input from the Bellevue School District on the topic of student crowding and the way it is affected by zoning and rezoning. On behalf of parents at Jing Mei Elementary School and the Jing Mei PTSA, she pointed out that Newport Heights Elementary School, which is quite new, already has one portable on site and is scheduled to receive two more. Every house in the neighborhood that has sold recently has been sold by empty nesters and purchased by families with children. The school is already at capacity. The neighborhood is already dealing with and is concerned about increased traffic during school hours. Many Newport Hills Elementary School kids walk to school and it will be dangerous to have people running through intersections trying to get to work. Rezoning the Newport Hills retail area to allow multifamily housing will increase the number of families in the area. The neighborhood understood originally that new housing there would be in the form of a retirement community. Newport Hills and Jing Mae parents also use the current businesses in the Newport Hills retail spaces, and have been disappointed to learn that they would not be allowed after the area is being rezoned. The parents do not want the shopping center site rezoned to include multifamily housing.

6. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCILS,

BOARDS AND COMMISSIONS – None

7. STAFF REPORTS

Mr. Cullen briefly reviewed with the Commission the meeting schedule and agenda items for the months of May, June and July. He proposed conducting a meeting on May 11, with a start time of 6:30 p.m.; a meeting on May 25, with a 4:30 p.m. start time, followed by a break at 5:45 p.m., and an additional session beginning at 6:30 p.m.; a meeting on either June 1 or June 15 focused only on the plan amendment threshold public hearing, with a 6:30 start time; an open house on June 8 starting at 4:30 p.m., followed by a session at 6:30 p.m.; a meeting on June 22, possibly held in the Eastgate area, with a 4:30 p.m. start time; a meeting on July 13 with a 6:30 start time; and a meeting on July 27, also with a 6:30 start time.

x

Chair Hilhorst asked staff to send an email to all Commissioners as soon as possible to get input on whether or not the additional meeting in June should be scheduled for June 1 or June 15.

Mr. Cullen said for the meeting in Eastgate, the South Bellevue Community Center and Eastgate Elementary School are two possible locations.

Mr. Cullen also reminded the Commissioners about the neighborhood conference slated for Saturday, May 21.

8. DRAFT MINUTES REVIEW - None

9. PUBLIC HEARING

A. Expansion of Floor Area Exception for Assisted Living Uses Through Provisions of Affordable Housing

Land Use Director Carol Helland called the attention of the Commissioners to the staff report in the Commission packet and noted that the issues had been analyzed vis a vis the decision criteria in the Land Use Code for amending the text of the Land Use Code. She pointed out that a SEPA determination had also been provided. The proposal is to enable a density increase in the BelRed and Downtown subareas where residential density is governed by FAR; where the FAR Amenity System currently does not apply or provide for an affordable housing incentive; and where assisted living, congregate care and nursing home uses are permitted.

Continuing, Ms. Helland said Aegis Living is the entity that requested the change. They are seeking an increase in the base FAR from 1.0 to 2.0. The City Council directed the Commission to explore exempting the additional FAR consistent with the way amenities are treated elsewhere in Bel-Red and the downtown. The change would apply to the land use categories that include assisted living, congregate care and nursing homes. The only areas currently that measure density according to FAR as opposed to a unit count are the Bel-Red corridor and the downtown. The ordinance would allow excepting up to 1.0 FAR, which means it would not be counted, through the provision of housing or by payment of a fee in-lieu.

Ms. Helland noted that the topic of FAR is part of the current discussion regarding the Eastgate corridor and she asked if the change would apply there as well. Ms. Helland said the Council direction was to look at the issue citywide. The reason why Eastgate is not included in the proposed amendment is because a framework for measuring density by FAR has not yet been worked out for the Eastgate corridor. The excepting provision will be factored into that discussion as the Eastgate provisions move forward through the process. The framework for

measuring density by FAR is already in place in Bel-Red and the downtown, making it easier to insert the proposed change into the code.

Ms. Helland said as proposed, the on-site recommendation would except up to 1.0 FAR of affordable assisted living, congregate care and nursing home uses. In Bel-Red, FAR is used for governing residential density in both the BR-MO and the BR-OR districts, subject to the negotiation of a Council-approved development agreement. In the downtown in any district where the uses are allowed, they could get excepted up to 1.0 FAR based on the terms of Council-negotiated development agreement. That is because a fee in-lieu needs to be determine on a site-by-site basis. Because of the service needs attached to assisted living, the fee in-lieu would be variable for different types of projects.

For the provision of affordable housing off-site, FAR up to 1.0 would be excepted under the proposal. The exception can also be the result of a payment of a fee in-lieu. In Bel-Red the fee in-lieu rate has already been identified. In the downtown the rate would have to be negotiated through a development agreement.

Commissioner Walter said the term “fee in-lieu” means to her “not here, not now.” It means something will be built somewhere else some other time. She asked how the fees in-lieu are tracked once they flow into an account; if there is any requirement for the money to not age past a certain amount of time; and if there is any geographic nexus between the project that produced the fees and where the affordable housing units are constructed. She said she would like to see a limit on the fees in-lieu that can be collected before previously collected fees are allocated to a project. To hold the fees and then spend them somewhere else would also not address the diverse socioeconomic populations that should be targeted.

Ms. Helland said there are two financial mechanisms for collecting money and holding it for the purpose of developing projects. Under the Growth Management Act, the mechanism of impact fees is aimed at the building of fire and park facilities as well as transportation infrastructure. Impact fees are a creature of state law that require a rough proportionality and nexus test to ensure the funds are used within a certain amount of time and in the general area where the project contributing the funds is built. The fee in-lieu mechanism is an amenity system choice developers can make to provide benefits to the jurisdiction for extra things, not things that are necessary to support the infrastructure of the contributing development; rather fees in-lieu are a mechanism to build capacity and leverage development to achieve things that would not otherwise be achievable through a straight permitting process. As a result, fees in-lieu do not have the rough proportionality and nexus test attached to them. The funds are managed in a way that addressing generally accepted accounting practices, but there are no limits on the expenditure of funds within a certain time frame or geographic area.

Commissioner Walter said she would like to see fees in-lieu collected for the provision of affordable housing allocated as soon as possible for concrete projects.

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

Mr. Todd Woosley with Hal Woosley Properties, PO Box 3325, noted that Chair Hilhorst and Commissioner Walter had raised during the staff report the two questions he was interested in bringing up. He commented that in general adding housing supply and lowering housing cost is fundamental to meeting the goals in Bellevue. Doing incentives right is a good thing and the proposed approach should be extended to the multifamily districts in the Eastgate/I-90 corridor as well as Crossroads and Factoria at the appropriate time. If the intention is to yield affordable

units, everything that can be done should be done to get them. There could be potential impacts in the downtown, however. It is known that while the area is not projected to exceed the adopted levels of service, by 2030 the time of delay at intersections will double what it is presently and the experience of getting through the downtown will take twice as long, even though the build out will not be to current FAR limits. There should be some assurance that when a developer purchases an additional 1.0 FAR in exchange for affordable housing units, the units should be built in a timely fashion, and when they are brought online, consideration should be given to what impact on mobility they will have. The same should be considered for all other areas of the city. A robust transportation infrastructure is needed in order to accommodate the additional trips generated by the developments.

Ms. Nancy Bainbridge-Rogers with Cairncross & Hemplemann, 524 2nd Avenue, Suite 500, Seattle, spoke on behalf of Aegis Living. She voiced support for the proposed Land Use Code amendment to allow additional floor area for assisted living, as particular to the Aegis Living property in the BR-MO zone as well as in the downtown and throughout the city as appropriate. The amendment represents a true win-win in terms of helping to provide housing for Bellevue's aging population while at the same time providing either affordable housing units or fees in-lieu. The staff report provides an excellent comprehensive summary of the history of the request and the benefits that will flow to the Bellevue population. The fee in-lieu approach is very important to making the program work, particularly for assisted living units. Assisted living involves more than just a residential unit, it involves a range of services. There are tiered levels of services that depend on the medical needs of residents that make providing an affordable housing unit within an assisted living facility very difficult if not impossible. Assisted living facilities typically create very few traffic impacts given that the residents for the most part do not drive. The average age of an Aegis resident is 82, and the residents are in an assisted living facility because they do in fact need assistance with their daily lives. The Commission was urged to take action to advance the code amendment to the City Council for action.

Commissioner Walter pointed out that the elderly need affordable housing in assisted living facilities. The costs of senior housing are extraordinary, a fact many are finding out as they age. Access to an assisted living facility should not necessarily depend on how much money one has managed to save during their life.

Chair Hilhorst asked about the issue of impact fees, which go for fire, police and safety. She asked what why there is a need for fees in-lieu where impact fees are involved. Ms. Bainbridge-Rogers drew a distinction between public services offered by the fire and police departments and private services offered by Aegis Living staff to the residents. Chair Hilhorst commented that by virtue of the age of the residents, assisted living facilities are high call facilities for fire and paramedics. Ms. Bainbridge-Rogers agreed, but stressed that fees in-lieu do not go to address those services, rather they flow to a fund that is used for the construction of affordable housing units for the community at large.

Commissioner Barksdale asked what percentage of assisted living costs are due to boarding alone. Walter Brown, senior vice-president of development for Aegis Living, explained that there is a base rent for housing, but that housing includes maid service, food, entertainment and other things. Separate from that, each resident has a medical assessment that determines their level of care, the fees for which vary based on exactly what is needed. In general, the costs for care exceed the cost of the rent.

Commissioner Barksdale asked if a reduction in the base rent could be applied as an affordable housing action. Mr. Brown allowed that while a discount could be provided for the rent of the physical room, but not for the food, the maid service, the entertainment, and certainly not for all

the medical services. That is what makes it difficult to calculate what an affordable housing rate should be. The planning staff saw that problem and came up with the notion of a fee in-lieu, all of which would go toward the provision of affordable housing.

Commissioner Barksdale asked what costs for assisted living residents are typically covered by insurance of one form or another. Mr. Brown said residents with private long-term insurance can use the funds they collect for their rent or for their other expenses.

Mr. Patrick Bannon, president of the Bellevue Downtown Association, 400 108th Avenue NE, Suite 110, commented that the proposed code amendment was identified by the Council in recognition of a particular imminent opportunity in the BR-MO zone. However, it has been translated to having an application in the downtown as well. While that may be fine, consideration of the bonus related to FAR should be considered as part of the Downtown Livability Initiative review of the amenity system. It likely was not the intent of the Council to move the issue ahead of the Downtown Livability Initiative and the incentive zoning process. He stressed that his objection to application of the amendment in the downtown should not be construed as opposing the amendment for the BR-MO zone. The Commission could seek clarification from the Council or staff about the need to move it forward in both areas simultaneously.

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

10. STUDY SESSION

A. Expansion of Floor Area Exceptions for Assisted Living Uses through Provisions of Affordable Housing

Chair Hilhorst said there is no question about the need for facilities like the one proposed by Aegis Living, and noted that no one had questioned the proposed location in the BR-MO. She agreed with the point made by Mr. Bannon that moving the amendment forward was not dependent on being included in the amenities for the downtown area and suggested holding the issue aside relative to that area might make sense.

Commissioner Morisseau asked staff for their opinion relative to the fee in-lieu rather than having affordable units constructed as part of the development. Ms. Helland said the conclusion reached by staff after reviewing the request mirrors the position of Aegis Living. Additional economic details were reviewed and the conclusion was that the variability of care does not lend itself to discounting in the same way straight affordable housing is calculated. The proposal represents an early win on the affordable housing strategy. In return for allowing some additional FAR, the city will through the fee in-lieu gain funds to be used to develop affordable housing units.

Mr. Brown said the fee in-lieu has been calculated to be about \$960,000.

Ms. Helland allowed that the proposed amendment is not the perfect solution for addressing how to get affordable housing for seniors that need care. The Commission will be looking at a broader range of affordable housing strategies once the study is kicked off later in the year. By moving forward as proposed, the city will gain nearly a million dollars it would not otherwise have to put toward affordable housing.

Commissioner Morisseau asked if the fees in-lieu will be specifically reserved for affordable

housing to serve the city's aging community. Ms. Helland said the funds will be reserved specifically for affordable housing but not just for senior housing.

Chair Hilhorst pointed out that if the funds flow to ARCH, the resulting affordable units may not necessarily be located in Bellevue. Ms. Helland said it is true the units could be located in any Eastside community served by ARCH. Bellevue works in partnership with ARCH to get affordable units placed regionally where opportunities arise.

Commissioner Walter said the opportunity to receive nearly a million dollars towards affordable housing would be hard to turn down. However, the fees in-lieu may or may not be used right away and may or may not yield affordable units in Bellevue, let alone near the project that contributes the funds. Affordable housing is needed right away. Without requiring the units to be constructed on-site, without saying the funds must be used within a certain period of time, and without saying the funds must go to produce affordable units within a certain distance of the contributing project, the city will be moving very far away from the stated goal of building affordable housing.

Chair Hilhorst asked if the Commission could include a stipulation for the fees in-lieu in to be utilized within the boundaries of the city, or within the geographic area of where Aegis is looking to build, or for the fees to be used to create affordable housing for seniors. Ms. Helland said the Commission has the authority to make any recommendation to the Council. The recommendation of the Commission can be made in the form of code language, it can be included in the transmittal memo to the Council as a recommendation to seek a better nexus and rough proportionality to the usage and spending of funds when doing the housing strategy work. She recommended taking the latter approach. Experience has shown that attempts to earmark funds often makes the funds less usable by not being able to apply them to immediate opportunities. If the Commission prefers to change the proposed code language approach, additional study would be warranted to avoid any unintended consequences.

Commissioner Walter reiterated that her intended consequence would be the provision of affordable units at the same time the buildings goes up and in that building. Additional study will mean more time will go by. People are aging out of their homes and they are going to need housing and services they can afford. Little has actually been said about affordable housing for the aging. Ms. Helland agreed that the concern should be communicated to the Council. She added, however, that she did not want to suggest that affordable housing for the aging is not already happening. The way the code is structured, it awards developers more profitably by putting affordable housing on site. In the case of assisted living, congregate care and nursing homes, however, the service dimension makes doing so challenging. There are currently several hundred units of Senior Housing Assistance Group (SHAG) housing under construction in Crossroads, and 53 units of affordable housing was recently brought online by Imagine Housing in the Bellegreen project in the Bel-Red corridor.

Commissioner Walter said she did not understand how the Aegis Living units could not be made more affordable by lowering the actual room rent by a percentage for residents of lower incomes, keeping services separate from the calculation. She agreed some creative thinking would be required, but suggested that it can be done. If fees in-lieu are collected and Aegis Living goes ahead with its project, prices and costs will go up, but the amount of fees in-lieu will remain the same.

Commissioner Barksdale agreed and said he would like to see Aegis Living come up with some ideas about what Commissioner Walter's suggestion might look like to be used as a comparison. Ms. Helland said the code mechanism for making that happen already exists. The developer can

gain the benefit of the additional FAR by paying a fee in-lieu, or the developer can buy up to the FAR based on a development agreement that negotiates the specifics. The result may be as low as a single affordable unit. Commissioner Barksdale said if the matter is held over for further study, he would like to see Aegis Living weigh in that the approach proposed by Commissioner Walter.

Commissioner Morisseau agreed with Commissioners Walter and Barksdale. She said it was interesting to her to hear more emphasis placed on putting the million dollars into the coffers rather than on the intent to provide affordable housing for the aging population. Ms. Helland said the intent is to raise funds and provide affordable housing in any creative way possible to serve the populations across every spectrum of age, ability and circumstance. Commissioner Morisseau said she would like to see the affordable units provided at the same time Aegis Living builds its project. The issue of affordable housing generally will be tackled later in the year, and it appears the Commission is being asked to make a decision way ahead of the curve.

Chair Hilhorst clarified that the proposed ordinance will provide care for an aging population that needs assisted living. If the Commission does not give direction to proceed, there is a risk of the project not going forward. Ms. Helland said it has been stated that the amendment needs to be completed by June. If it is not completed by then, the opportunity will pass. Chair Hilhorst said one approach would be to include in the transmittal the concerns voiced by the Commission about the fees in-lieu going elsewhere other than the property, and to state that changes in the approach should be sought before applying the process to any other area of the city, including the downtown.

Mr. Cullen said he serves on the staff team that is working on the affordable housing strategy. The schedule for that work is very aggressive. A technical advisory group has been appointed and the 15 members all have expertise in the provision of housing. An education workshop is being planned, and a needs assessment has been put together. The Council wants by the end of the year an assessment of the potential tools and recommendations from the experts as to what makes sense. A consultant will be brought on board to help develop a tool to evaluate the various tools. He said the concerns about the assisted living piece are well taken given the coming silver tsunami as the Baby Boom generation ages. It is the service provision element that creates the challenges. It will not be possible to fully address the issue with the proposed amendment. The amendment does, however, seek to take advantage of an opportunity.

Ms. Helland said the Commission could elect to move forward with the Bel-Red piece independent of the downtown piece, leaving the latter to either the Downtown Livability Initiative amenity conversation or the broader affordable housing conversation. Because the proposed amendment includes two sections, one applicable to the downtown and one applicable to the Bel-Red area, the Commission could recommend that only the Bel-Red section be moved forward.

Asked who would agree to removing the downtown portion of the amendment, all but Commissioner Walter raised their hands. Asked who was not comfortable giving direction to move forward with the ordinance as proposed but for the Bel-Red area only, all but Chair Hilhorst raised their hands.

Commissioner Barksdale said he would like to have more data useful for analyzing situations, not just in terms of how the fees in-lieu might be used but specifically an example of how a development agreement might be negotiated to put some amount of affordable housing in the physical facility in return for the FAR. Ms. Helland said staff could not easily put that information together, rather the request would challenge Aegis Living to put together a term

sheet that would be included in a development agreement for use in comparing allowing additional FAR in return for close to a million dollars, and allowing additional FAR in return for including X number of affordable units.

Commissioner Morisseau agreed with the request made by Commissioner Barksdale. She added that she would like to see information about how the fee in-lieu process is currently used and how effective it is. She said if the Commission decides to go with the fee in-lieu option, she would also like to understand the timeframe involved in getting actual affordable units built, and how the funds can be used to build affordable units in Bellevue.

Commissioner Walter concurred with the comments made by Commissioners Barksdale and Morisseau. Having the data side by side would be very helpful. She said it would also be better to be able to differential between assisted living affordable housing and something what SHAG offers.

Chair Hilhorst reminded the Commissioners that there is a financial opportunity for the city on the table that could be lost. Commissioner Walter said the financial opportunity is for ARCH and the Eastside, not necessarily for Bellevue. Chair Hilhorst said there is both a financial opportunity but also the opportunity to have an assisted living facility located in Bellevue. Ms. Helland clarified that Aegis Living has an approved permit to build to the maximum FAR allowed in the BR-MO. Absent approval of the proposed amendment, the project could still be constructed, but no additional FAR would be allowed or built, and the city would receive no fees in-lieu.

Mr. Brown confirmed that the project in its current design configuration has been approved to proceed to the building permit phase with an FAR of 1.0.

Ms. Helland sought clarification from the Commission regarding the downtown area. She was directed to bring back the amendment as it relates to Bel-Red only, and to take up the issue relative to the downtown as part of the Downtown Livability Initiative amenities system. Ms. Helland said she would work with Aegis Living and ARCH to respond to the other questions raised.

****BREAK****

B. Eastgate/I-90 Corridor Implementing Regulations

A motion to extend the meeting to 10:30 p.m. was made by Commissioner Walter. The motion was seconded by Commissioner Barksdale and the motion carried unanimously.

Mr. Cullen stated that the work done to date by the Commission relative to the Eastgate/I-90 corridor has been focused on essentially creating three new zoning districts in order to implement the Eastgate land use and transportation project. The Neighborhood Mixed Use and Office/Limited Business 2 zoning districts have already been discussed, leaving only the Transit-Oriented Development district. Once completed, the code amendment will create all three zoning districts with requirements for each relative to land uses, bulk, height and dimensional requirements, and design standards. The overall package of proposed amendments will be ready for review at the Commission's May 25 meeting, along with any unresolved issues. An open house has been scheduled for June 8.

Mr. Cullen said the work of the Eastgate/I-90 CAC represents an enormous amount of work that took a couple of years to complete. The Eastgate subarea plan was put into the Comprehensive

Plan with provisions that that included elements of the study. Additionally, the city's transportation department used the document to conduct modeling and transportation planning.

The CAC recognized in its study that Eastgate has a history of being a strong employment center. At one time, it was actually a stronger market for office than was the downtown. However, it lacks the amenities and conveniences needed to make it competitive with other areas as demands have changed. The CAC concluded that by creating a transit-oriented development district, the future viability of the area could be maintained.

Mr. Cullen noted that there is little capacity to accommodate for office growth in the area given that the land is already developed and the current zoning constraints. The maximum FAR for the districts is 0.5. The area has relatively poor transportation connectivity, but according to the CAC, additional growth could be accommodated with modest improvements. Multimodal options and land use mixes that create greater internal trip capture will be needed.

Transit-oriented developments are often centered in areas that already have dense development patterns. They are people-oriented; allow for transit and other types of transportation; enjoy a variety of uses; and deemphasize cars in favor of walking and biking. Transit-oriented development is not a new concept; they are actually in use around the globe, particularly in increasingly urbanized areas. The expectation is that 80 to 90 percent of the global population will be in urban centers in the future. The issues being faced in Bellevue are being faced on much larger scales in cities around the world. Transit-oriented development areas improve the utilization of governmental infrastructure, and they provide a different level of product for office and residential. Developers are attracted to transit-oriented development because they offer more and new opportunities. For office occupiers, the draw is labor force accessibility, flexible work spaces, and retail tenants and increased opportunities. Overall, transit-oriented development creates a different market that is appealing in many different ways.

Mr. Cullen said *The Death and Life of Great American Cities*, a book by urban sociologist Jane Jacobs, was published in 1961. The author's take was that vibrant cities only flourish when the physical environment is diverse and that four conditions are required: 1) city districts must serve more than two functions so that they attract people with different purposes at different times of the day and night; 2) city blocks must be small with dense intersections that give pedestrians many opportunities to interact; 3) buildings must be diverse in terms of age and form to support a mix of different income levels; and 4) districts must have a sufficient density of people and buildings. Recently, a big data mining exercise relative to six cities in Italy tested and validated the four criteria.

The Commissioners were shown several examples of transit-oriented developments, including examples in Chicago, Illinois; Santa Monica, California; Bogotá, Columbia; and Perth, Australia.

Mr. Cullen pointed out that the transit-oriented development area in the Eastgate corridor is small. He shared with the Commissioners a schematic drawing of the area from the CAC's final report showing the connections, the pedestrian-oriented streetscapes, and the hill climb connecting the area with Bellevue College. He noted that the slope between the transit-oriented development area and the college will serve as a strong visual element. The main street running east and west through the heart of the area will be a critical component; how the street is treated will determine whether or not the area will be activated.

Chair Hilhorst noted that there had been at one point talk of having the buildings in the area high enough to accommodate a walkway directly to and from the college, obviating the need for the hill climb. Ms. Byers said the concept was suggested as a possibility. Mr. Cullen added that from

a design perspective, skywalks are not always aesthetically pleasing.

Mr. Cullen explained that the transit-oriented development area extends eastward from 142nd Place SE but it does not run all the way east to 148th Avenue SE. The properties fronting 148th Avenue SE asked not to be included in the transit-oriented development boundaries. The current configuration within the boundaries is a very typical 90s-style office development. As envisioned, the main street runs east from 142nd Place SE and has wide sidewalks and planting strips, making it a very pleasant walk and accommodating to bicyclists. A pedestrian plaza will be located at the intersection with the hill climb. There will be opportunity for cars to use the road, and there possibly will be limited parking on one side of the street. The main street runs through the back of the building in which Intellectual Ventures is located, but of course that will occur only if the site is redeveloped. The roundabout will be moved to 146th Avenue SE to maximize the vistas and to create the opportunity for an event space.

Commissioner Morisseau asked if the sidewalk will be at the same level as the street. Mr. Cullen said the preference is for a curb and gutter, in part to meet the low-impact development standards. All ADA standards will be met as well. Commissioner Morisseau asked why consideration is being given to going without a curb along the pedestrian corridor but not in the transit-oriented development area. Ms. Byers said the pedestrian corridor is for pedestrians only and not for cars, whereas the transit-oriented development street will allow for cars to serve the ground-floor retail.

Ms. Byers referred to the use charts and noted that the only uses permitted in the manufacturing category were microbrewery and measuring, analyzing and controlling instruments. With regard to the recreation chart, she said she added library and museum as permitted uses. The concern over public assembly uses being too large for the transit-oriented development was addressed by including a footnote limiting the use to 20,000 square feet. Video arcade was also included as an allowed use. Other recreation activities were limited to health club, recreation instruction and gymnasiums by administrative conditional use, unless less than 8000 square feet, in which case an administrative conditional use permit is not required. City park as a use is the same as for every other district in the city, with the exception of the downtown.

Continuing, Ms. Byers suggested that hotels, motels and transient lodging should be permitted uses on the residential use chart. Chair Hilhorst said the argument previously made by the Commission was that transient lodging could include a homeless shelter, which is why a more stringent permitting process would be in order, particularly in what is intended to become a neighborhood. Ms. Byers agreed to retain the requirement for administrative conditional use for the use.

Commissioner Walter questioned whether or not group quarters, including dormitories and fraternal houses, should be a permitted use for the transit-oriented development. She allowed that the use makes sense on the college campus where security and the like are provided.

Commissioner Barksdale said a shift is taking place in terms of college and universities to expand housing beyond the campus boundaries. He noted that typically sororities have to be on campus, but fraternities are allowed to be off campus. Mr. Cullen said one of the development options that has been talked about is something like an apartment that might have four bedrooms and a common area designed to serve as affordable student housing.

Chair Hilhorst voiced concern over allowing anything that looks like or functions as a dormitory without supervision of the student residents. Ms. Byers said Bellevue College has been buying properties around the campus with an eye on providing housing. She added that the average age

of the students at Bellevue College is 27, most of whom are also working in conjunction with taking classes. That could translate into a far different mix from what might be seen at the University of Washington or Washington State University. Chair Hilhorst said even so, the transit-oriented development will be a neighborhood and families with small children probably would not want to locate next to a dormitory use.

Ms. Byers reminded the Commissioners that the criteria for the conditional use permit and the administrative conditional use permit are much the same; the review processes are different, and with the administrative conditional use permit, the final decision is made by staff. Additionally, each of the new districts will have design review for anything that goes in, and that process will address all of the impacts.

Commissioner Walter said any kind of dormitory housing that does not include some oversight could be a recipe for problems and unintended consequences. Chair Hilhorst agreed and said the use does not feel conducive to a family environment. Mr. Cullen pointed out that regardless of what kind of housing mix goes in to the transit-oriented development, it will have a strong Bellevue College influence. Student housing is considered to be affordable housing and there is a need for it, particularly close to the college. While behavior cannot be legislated, the use and design to influence behavior can be.

Commissioner Barksdale said families are accounted for throughout the majority of the city, and some care should be taken to consider the needs of college students as well. Chair Hilhorst disagreed. She said the place for dormitory student housing is on the campus. Any time there are too many people under one roof, problems will follow. The city can also have no influence over who moves into the buildings. The neighborhood that will be created should be protected.

Commissioner Walter pointed out that at Washington State University, dormitories are located on campus. Student housing off campus takes the form of apartment buildings. She said she was not aware of any college or university town where the dormitories are located off campus.

Ms. Byers said there are a variety of options that could be utilized in addressing the use, including size limits and the approval process.

With regard to the kind of student housing Bellevue College has talked about locating on the properties they have purchased near the campus, Chair Hilhorst said the plan calls for the construction of actual dormitories, possibly with some small retail uses on the ground floor.

Commissioner Morisseau asked if the group quarters use could be allowed through a process that is far more restrictive than just reviewing the design. Ms. Byers said the use could be allowed through administrative conditional use, which involves a more stringent review to address the impacts. Commissioner Morisseau said she understood the concerns voiced about allowing the use, but said she did not want to see the use excluded entirely because that would impact the college community.

Chair Hilhorst pointed out that if the use is allowed, there is no guarantee that the facilities will be built by Bellevue College, and the school will have no authority over it.

Commissioner Walter said her preference was to not allow the use at all, but if it is allowed, it should be through the conditional use permit process.

Chair Hilhorst pointed out that if dormitories and fraternal houses are allowed, they will be created by a private developer that will have no oversight of what goes on by the residents in the

building. Apartments are allowed, and nothing would exclude them from being occupied by students.

Commissioner Morisseau commented that to not allow the use at all would mean even Bellevue College could not build a dormitory in the district. Commissioner Walter agreed but suggested such a move by the college would be unlikely given the cost of land. If allowed with a conditional use permit, the college could choose to take that route should it choose to do so. Commissioner Morisseau said that would be her preference. She added that she could see no need to allow fraternal houses at all in the district.

There was agreement to exclude fraternal houses and to allow dormitories through conditional use.

Ms. Byers stated that congregate care, senior housing and assisted living is permitted in the transit-oriented development district as a residential use. Nursing homes as a use is not included because it is more of an institutional use that would not be appropriate for activating the area.

With regard to the resources chart, the only allowed use is veterinary clinic and hospital. In order to address the impacts, Ms. Byers suggested that any veterinary clinic or hospital be open only between 7:00 a.m. and 10:00 p.m., and that boarding and commercial kennels should be allowed only as a subordinate use.

Ms. Byers noted that some changes had been made to the services chart for the transit-oriented development district. She noted that child care services as shown on the chart was only a heading for family child care home in residence and child day care center. The family child care home in residence use was removed from being a permitted use because single family homes are not permitted in the district. With regard to repair services, Ms. Byers noted that Footnote 30 disallows outdoor storage. Under professional services, standalone emergency rooms was disallowed.

With regard to the transportation and utilities chart, Ms. Byers explained that park and ride lots throughout the city require a conditional use permit. In the original draft, the use was shown as requiring an administrative conditional use; that has been changed to conditional use permit for the sake of consistency.

Ms. Byers noted that the Commission had previously discussed allowing auto parking, commercial lots and garages only west of 142nd Avenue SE. She said staff intends to talk with King County Metro about their plans for the existing park and ride, and about how many students are currently using the facility. It is possible that having students park where they are supposed to park, or requiring them to pay to park there, will cause the students to choose to park on campus instead.

Chair Hilhorst said that information will be very helpful. She pointed out, however, that as Bellevue College continues to grow, it will tap out on places for students to park. The marketplace will probably step up to fill the gap. Ms. Byers reminded the Commission that the idea behind the transit-oriented development concept is to reduce the overall number of cars. Parking requirements within the district will be less stringent for that reason. Chair Hilhorst agreed but pointed out that the Eastgate park and ride serves far more than just the adjacent uses; it is used by residents of North Bend, Issaquah and Sammamish to park and catch a ride on a bus. Even assuming few people living in the transit-oriented development district will be driving, the park and ride facility will continue to be heavily used.

Ms. Byers noted that recycling center was included as a permitted use. She said the type of recycling center referred to is a lot that has containers where people can drop off items for Goodwill and the like.

The Commissioners were told that the issue of allowing showrooms for autos, trucks, RVs and boats will likely be addressed through a development agreement. Showrooms for motorcycles would be allowed without a development agreement because they are smaller. The development agreement process will address the impact issues and will require Council approval.

A motion to extend the meeting by 15 minutes was made by Commissioner Barksdale. The motion was seconded by Commissioner Morisseau and the motion carried unanimously.

Ms. Byers noted that Footnote 28 was added to the chart to prevent any type of drive-in in the transit-oriented development district.

Referring back to the services chart, Commissioner Walter commented that auto repair and washing services did not seem to be a good fit for the transit-oriented development district.

Chair Hilhorst pointed out that allowance is given to build parking garages in the district and suggested that it should be okay for a parking garage to include a car wash service. Commissioner Walter said she could see a car wash as part of a parking garage but not auto repair. Ms. Byers said she would look at limiting car wash uses to a certain size and requiring them to be a subordinate use.

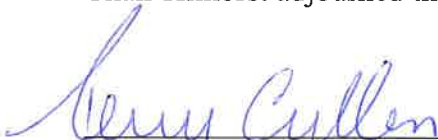
Commissioner Morisseau pointed out that auto and truck showrooms are listed as being allowed in the district and asked why auto repair should not be included as part of those uses. Ms. Byers reiterated that while motorcycle showrooms are allowed, car, truck, RV and boat showrooms are allowed only through a development agreement. The showrooms are not the same as dealerships and probably will not even include outdoor storage.

11. PUBLIC COMMENT – None

12. ADJOURN

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


Chair Hilhorst adjourned the meeting at 10:36 p.m.




Terry Cullen
Staff to the Planning Commission



Date



Michelle Hilhorst
Chair of the Planning Commission



Date