

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

January 22, 2008
6:00 p.m.

Council Conference Room
Bellevue, Washington

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

ABSENT: None.

1. Executive Session

Deputy Mayor Balducci called the meeting to order at 6:00 p.m. and announced recess to Executive Session for approximately 10 minutes to discuss one item of property disposition.

The meeting resumed at 6:16 p.m. with Mayor Degginger presiding.

2. Study Session

(a) Report on the Findings of the 2007-2008 Human Services Needs Update

Parks and Community Services Director Patrick Foran acknowledged three Human Services Commissioners in the audience, and briefly reviewed the process that will ultimately lead to funding recommendations by the Commission to the City Council.

Alex O'Reilly, Human Services Planner, reviewed the 2007-2008 Human Services Needs Update. Examples of the impacts of current funding include 2,840 residents who received emergency financial assistance to maintain housing and counseling provided to 74 children through the Children's Response Center. Unmet needs include the Eastside Domestic Violence Program, Child Care Resources, and dental and medical care. The top six issues needing attention, as identified through the survey, are affordable housing, health care, older adult needs, immigrants and refugees, veteran services, and emergency preparedness for vulnerable populations (i.e., older adults, disabled persons, non-English speaking residents).

Emily Leslie, Human Services Manager, described a funding source for veterans and general human services that was approved by voters in 2005 and provides approximately \$13 million annually.

Ms. O'Reilly said the findings of the Human Services Needs Update will be considered by the Human Services Commission as it prepares for the next funding cycle. The Eastside Human Services Forum is preparing a funding analysis, and community presentations are being scheduled to share information.

Councilmember Lee thanked the Commission for its work and expressed support for the further analysis of service needs for veterans and immigrants.

Deputy Mayor Balducci expressed support for funding partnerships as well as the Wrap-Around Services program. She reminded staff of Council's ~~noted her~~¹ interest in an update to the City's cultural diversity plan.

(b) Review of Priorities for Bellevue Housing Trust Fund

City Manager Steve Sarkozy opened discussion regarding the Bellevue Housing Trust Fund, whose existing priorities were established in 1998. Prior to that time, the City had a mandatory affordable housing program. Current policies direct staff to allocate the Housing Trust Fund through ARCH (A Regional Coalition for Housing) programs.

Land Use Director Dan Stroh recalled that during a discussion in October, the Council expressed an interest in reviewing the Housing Trust Fund priorities associated with funding projects through ARCH.

Responding to Councilmember Noble, ARCH Program Manager Art Sullivan noted ARCH's target funding categories listed on page SS 2-5 of the meeting packet. The ARCH Board uses specific detailed criteria to evaluate funding proposals as well.

Responding to Councilmember Chelminiak, Mr. Sullivan explained that the target funding percentages of 12 percent for special needs housing and 13 percent for transitional/homeless housing are proportionate to overall housing needs. He noted that the ARCH Board is willing to consider different priorities if that is what ARCH member cities want.

Following additional brief discussion, Mayor Degginger noted Council's interest in reviewing specific priorities and policies and discussing alternative approaches to using Housing Trust Fund dollars. Mr. Sullivan noted that an ARCH new construction project in Bellevue is anticipated to be proposed in the spring. Mayor Degginger directed staff to bring the issue back for discussion within the next 60 days.

(c) Proposed 2008 Work Program and Administrative Budget – A Regional Coalition for Housing (ARCH)

¹ Revision requested by Councilmember Balducci following publication of the meeting packet.

Mr. Sullivan explained that ARCH's proposed 2008 Work Program and Administrative Budget are provided for Council review and discussion tonight. Council action on these items will be requested on February 4.

Mr. Sullivan highlighted the key elements of the Work Program, beginning on page SS 2-15 of the meeting packet. Page SS 2-19 outlines potential projects in Bellevue including housing in the Bel-Red corridor.

Mr. Sullivan noted the memo beginning on page SS 2-27 of the packet outlining the Fall 2007 Housing Trust Fund recommendations to support the Friends of Youth project in Kirkland, Habitat for Humanity townhome project in Issaquah, and the Kensington Square project at Crossroads. Referring to page SS 2-39, Mr. Sullivan said the ARCH Board recommends deferring the St. Andrew's Housing Group/St. Margaret's Apartments project until the spring round of recommendations.

Mr. Sullivan responded to brief questions of clarification regarding the proposed projects.

Mayor Degginger noted general Council support of the Housing Trust Fund recommendations.

- (d) Interlocal Agreement with King County regarding the Regional Affordable Housing Program (RAHP) Fund

Mr. Stroh recalled that the Regional Affordable Housing Program (RAHP) was adopted approximately five years ago by special state legislation. A proposal to adopt a new Interlocal Agreement with King County to continue this program will be presented for Council action on February 4.

Responding to Councilmember Davidson, Mr. Sullivan said the program allocates funds to three subregions: 1) City of Seattle, 2) South County, and 3) North/East County. Dr. Davidson said he would like to see funding allocations based at the city level.

Responding to Councilmember Noble, Mr. Sullivan said the program raises approximately \$3 million annually through a document recording fee.

- (e) 2007 Comprehensive Plan Amendments including those related to electrical facilities siting and the Wilburton/NE 8th Street Corridor Study, and a related Ordinance amending the Land Use Code to include recommendations for electrical facilities siting

Mr. Sarkozy noted that the intent for this agenda item tonight is to provide a broad overview of the proposed Comprehensive Plan Amendments (CPAs). Additional discussion will be scheduled for a subsequent meeting, and Council action is slated for February.

Mr. Stroh recalled that the state Growth Management Act requires cities to consider Comprehensive Plan Amendments on an annual basis.

Paul Inghram, Comprehensive Planning Manager, briefly reviewed the Comprehensive Plan Amendment (CPA) process. He described the three privately initiated CPAs, all of which are in the Factoria area: 1) St. Margaret's Church, 2) Courter Enterprises, and 3) SRO Factoria. The St. Margaret's Church CPA proposes a change in the map designation from single family-high to multifamily-high development. The site is adjacent to multifamily parcels and Newport High School.

Jennifer Robertson, Planning Commission Chair, said the Commission unanimously recommends approval of the St. Margaret's CPA proposal, which has the potential to support development for affordable housing. The Commission determined there are changed circumstances, and the proposal is consistent with adjacent uses. Ms. Robertson noted that she recused herself from voting on this issue because she is a member of St. Margaret's Church.

Mr. Inghram explained that the Courter Enterprises (Honda Auto Center) CPA proposal adds a Factoria Subarea policy to support retail auto sales in the OLB (Office Limited Business) district. The business is currently a legal, non-conforming use.

Ms. Robertson said the Commission recommended approval of the Courter CPA by a vote of 4-2, with Chair Robertson and Commissioner Ferris dissenting. The Commission was initially split on whether the CPA should apply to both the Honda Auto Center and the UW Physicians building, as proposed in the CPA application. The recommendation for approval applies to both buildings.

Responding to Deputy Mayor Balducci, Ms. Robertson explained that the Commissioners initially opposed to including the UW Physicians site in the CPA noted that the buildings in the area are all office buildings, with the exception of Honda Auto Center. The Commissioners were concerned about expanding the retail auto sales use to another parcel.

Mr. Inghram described the SRO Factoria CPA, which will allow an increase in office development to 0.75 FAR (floor-area ratio).

Ms. Robertson said the Planning Commission recommended approval of the SRO Factoria CPA by a vote of 4-1, with Commissioner Sheffels dissenting. With the loss of the movie theaters and changes in the Factoria Subarea, Ms. Robertson said the Commission found that office space is a suitable redevelopment use for the site, and more so than any other uses that would be allowed under the existing code. Factoria is designated as a major employment center by the City, and office use is consistent with this designation.

Ms. Robertson said Commissioner Sheffels felt the site had already utilized its office potential in its current development. Ms. Sheffels expressed an interest in waiting to conduct an area-wide study before considering this type of change.

Mr. Stroh explained that the SRO Factoria CPA raised a policy question related to the limitation on office FAR to 0.50 for areas outside of the downtown. An exception to this occurred with the

1993 Factoria annexation, in recognition of the development potential under existing King County zoning. Mr. Stroh said staff's position is that the Comprehensive Plan Amendment (CPA) process is not the appropriate avenue to consider site-specific exceptions to code standards. Staff recommends that the proposal should be analyzed as part of a broader Eastgate corridor land use study.

Responding to Councilmember Chelminiak, Ms. Robertson said changed circumstances considered by the Planning Commission included the loss of the theater use and overall development in the Factoria area.

Councilmember Marshall feels the SRO Factoria CPA proposal is consistent with the intended development of the area when it was annexed into Bellevue.

Moving to publicly initiated CPAs, Mr. Inghram noted the Capital Facilities CIP Plan CPA, which updates the Capital Facilities Element of the Comprehensive Plan to reference the adopted 2007-2013 Capital Investment Program (CIP) Plan.

Ms. Robertson said the Planning Commission recommended approval of this CPA by a vote of 6-0.

Mr. Inghram said the Downtown Mobility CPA proposes a series of transportation projects including additional turn lanes along Bellevue Way and other downtown streets, as well as the extension of NE 4th Street from 116th Avenue NE to 120th Avenue NE, and the east side extension of the HOV interchange with I-405.

Ms. Robertson said the Planning Commission recommended approval of the Downtown Mobility CPA by a vote of 4-2, with Commissioners Ferris and Lai dissenting. She noted that both the Transportation Commission and the Planning Commission expressed concern that the development of the projects be completed in a manner consistent with the Great Streets Initiative, which is focused on enhancing the pedestrian environment.

Mr. Inghram noted the proposal to amend the Utilities Element of the Comprehensive Plan and the Electrical Facilities Land Use Code. Mr. Stroh recalled that this issue surfaced following concerns about the proposed expansion of Puget Sound Energy's Lochleven Substation.

Ms. Robertson said the Planning Commission recommended approval of the CPA and Land Use Code Amendment by a vote of 5-1, with Commissioner Lai dissenting.

Mr. Inghram described the Wilburton/NE 8th Street Corridor Study CPA, which was last discussed with the City Council in March 2007. At that time, the Planning Commission recommended approval of the CPA. However, after a property owner raised significant concerns, the City Council remanded the issue back to the Planning Commission for additional public hearing and discussion. Mr. Inghram briefly highlighted key changes since the original CPA proposal.

Ms. Robertson said the Planning Commission recommended by a vote of 5-1 that the City Council approve the Wilburton/NE 8th Street Corridor Study CPA. The Commission further recommends a new policy, S-WI-22, supporting efforts to seek affordable and work force housing as part of the new mixed use developments. The Commission discourages the City Council from taking any actions to rezone this area until the proposed affordable housing policies are in place. Commissioner Ferris was the dissenting vote, based on a position that affordable housing should be required by the Comprehensive Plan.

Mayor Degginger thanked Chair Robertson and the Planning Commission for their work.

3. Discussion

(a) Sale of Limited Tax General Obligation (LTGO) Bonds

[Moved to Regular Session, Agenda Item 5(c)]

At 8:00 p.m., Mayor Degginger declared recess to the reception for Councilmember Marshall, to be followed by the Regular Session.

Myrna L. Basich
City Clerk

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