

City of Bellevue
Wilburton Commercial Area
Citizen Advisory Committee
Meeting Minutes

September 7, 2017
6:00 p.m.

Bellevue City Hall
Room 1E-112

- MEMBERS PRESENT:** Jeremy Barksdale, Sarah Chong, Shari Einfalt, Chris Johnson, Glen Griswold, Debra Kumar, Daniel Renn, Alison Washburn, Don Weintraub, Lei Wu
- MEMBERS ABSENT:** Andrew Pardoe, Jay Hamlin, Matt Jack, Maria Lau Hui, James McEachran
- OTHERS PRESENT:** Bradley Calvert - *Department of Planning and Community Development*, Kevin McDonald – *Transportation Department*, John Savo – *NBBJ*, Hannah Keyes – *NBBJ*
- RECORDING SECRETARY:** Audio Recording, transcribed by Bradley Calvert

1. Call to Order and Approval of Agenda

The meeting was called to order at 6:04 p.m. by Co-chair Barksdale.

Co-chair Barksdale asked if there was a motion to approve the agenda.

- ❖ **Action Item:** *Ms. Kumar motioned to approve the agenda. The motion was seconded by Ms. Washburn. The agenda was unanimously approved.*

2. Approval of Meeting Minutes

Co-chair Barksdale asked if there were any comments regarding the meeting minutes from the July 6th, 2017 meeting. There were no comments.

- ❖ **Action Item:** *The meeting minutes were unanimously approved.*

3. Communication with Boards, Commissions, Stakeholders, Public, and Meeting Updates

Mr. Renn stated that he wanted to thank City staff for the Wilburton study information sheet that was distributed to the Wilburton Hill community. He stated that 900 of the information sheets were distributed and Wilburton Hill residents were now better informed about the planning initiative. Mr. Renn stated that they were distributed approximately 3 weeks prior to the Committee meeting.

4. Public Comment

Gardner Morelli stated that he was present on behalf of the Morelli family. He stated that over the last few months they have learned more about the needs of Bellevue and the region. Mr. Morelli stated that it has made them rethink opportunities around their property (Eastridge Corporate Center). He stated that they have hired GGLO to assist in creating an appropriate vision. Mr. Morelli stated that the family has roots on the Eastside that date back over 100 years and that they have owned the Eastridge Corporate Center for over a decade. He stated that their goal was to retain ownership for the long term. Mr. Morelli stated that with the changes regarding Downtown Livability, they believed that Wilburton needed to be a desirable place to live and to connect to the larger community as well as planned infrastructure such as the Grand Connection, light rail, and the Eastside Rail Corridor. He stated that the access to these improvements would allow for multi-modal connectivity. Mr. Morelli stated that they believed their property required the correct amount of density to encourage this type of access and investment to redevelop.

Beth Dwyer stated that she is an architect with GGLO. She stated that the firm had experience in assisting clients in navigating the complexities of multi-family housing. Ms. Dwyer stated that she was heavily involved with the first residential project that opened in the Spring District. She stated they were working with the Morelli family and the Eastridge Corporate Center property. Ms. Dwyer stated that they agreed with much of the work completed thus far by the Committee. She stated that they wanted to highlight the opportunities in the southern portion of the study area. Ms. Dwyer stated that the southern area could contribute to an exciting area. She stated that some of the key attributes included transit and that the southern portion has a strong link to potential transit oriented development. Ms. Dwyer stated the area afforded the opportunity to not have to worry about relying on cars and could use transit. She stated that the parks and trails will afford strong connections to recreation, including the Eastside Rail Corridor and the Grand Connection.

Andrew Coates stated that he was with KG Investment Properties. He stated that they had commissioned a study by Transpo Group to consider an at grade crossing for the Eastside Rail Corridor at NE 8th Street. Mr. Coates stated that the study had been included in their packet. He stated that the consultant took transportation models from the City of Bellevue and projected out to 2019 to understand the impacts of an at grade crossing. Mr. Coates stated that they found there would be no impact to the level of service at the intersections of NE 8th Street and 116th Avenue NE and NE 8th Street and 120th Avenue NE. He stated that the increase in que lengths was minimal. Mr. Coates stated they also considered drive time through the corridor with an additional stop at the Eastside Rail Corridor crossing. Mr. Coates stated that they would provide additional information in their next packet, but the consultant found a delay of 13 to 17 seconds through the corridor. He stated that the study proved that the at grade crossing was a valuable option to consider for the Eastside Rail Corridor. Mr. Coates stated that there was plenty of time to continue the conversation but that they felt the bridge would be expensive and would create negative consequences when attempting to create a sense of place. He stated that the large ramps would negatively impact the opportunity to create trail oriented development and for the trail to be greater than a pass-through for the study area.

5. Alternatives and Public Survey Update

Mr. Calvert stated that he wanted to update the Committee on the recent public survey from August and September. He stated that the public was provided an online survey that reflected some of the recent conversations as well as the exercise the Committee would

be engaged with at the current meeting. Mr. Calvert stated that the survey focused on three categories; height and density, parks and open space, and connectivity. He stated that there was also an open comment field at the end of the survey and encouraged the Committee to read the comments that were provided by the public.

Mr. Calvert stated that the first question considered the perception of density. He stated that the respondents were able to grade their preferences based on a five point scale. Mr. Calvert stated that respondents were only polled on the ranges of density that had been identified and considered as part of the alternatives. Mr. Calvert stated that the respondents favored the more moderate density of B3 and B4, and less favorably of the higher density of B5. He stated that the poll included examples from Atlanta, Charlotte, Dallas, and Portland to avoid implicit bias for developments that may be more familiar to respondents. Mr. Calvert stated that the respondents did favor the more moderate density, and compared to the alternatives generated by the Committee those were the most prevalent types of densities proposed in the study area.

Mr. Calvert stated that the transportation question asked how important some of the key themes and elements were to respondents, reflecting those identified by the Committee. He explained the average scoring for each of the categories with activated alleys and pedestrian and cyclist facilities ranking the highest. Mr. Calvert stated that all scored highly with the respondents with cycle tracks scoring lower than the other options.

Mr. Calvert stated that the respondents placed substantial value on the Eastside Rail Corridor similar to prior responses from the Committee and the stakeholders. He stated that a central civic space and smaller public spaces were also important to the respondents. Mr. Calvert stated that overall, the respondents viewed many of the concepts favorably and encouraged the Committee to read the open comments relating to additional considerations and precedents that the public may have provided.

Mr. Renn asked how many total responses the survey received. Mr. Calvert stated that he didn't recall the exact number but it is provided within their packet. He estimated that it was between 400 and 500 responses. Co-chair Barksdale stated that the respondent demographic was very narrow. He asked if the survey could be continued to broaden the response demographics. Mr. Calvert stated that the survey could be re-released, but stated that reaching a broader audience would be the greatest challenge. He stated that the city and consultant team used several means to reach the largest and broadest audience possible. Mr. Calvert stated that if the Committee had more concepts on broadening the diversity of responses they would be welcomed.

Mr. Calvert stated that he wanted to provide an update on the Environmental Impact Statement (EIS). He referenced the three alternatives and explained that the Committee is considering the plan for the study area as a whole. Mr. Calvert stated that for analysis purposes the planning horizon is 2035, and that when considering the value to improvement ratio of the properties it is unlikely that the entire study area would redevelop during that period. He stated for the EIS they narrow the scope to the properties most likely to transition by 2035 through the market analysis and other city methods to make that determination. Mr. Calvert referenced a graphic that showed the areas where development would be most likely by 2035. He stated this would be used for the transportation analysis, but the broader vision was still applicable for other elements. He stated that the release of the EIS has been delayed to October and then would be discussed in the November meeting. Mr. Calvert referenced a letter in their packet that also describes the process as well.

Mr. Johnson stated that given the baseline year of 2035 he would like to be informed in the future of how to evaluate third party studies or memoranda that utilize a different year. He referenced the at grade crossing at NE 8th that was discussed earlier in public comment.

Co-chair Wu asked for clarification regarding the two options for the NE 8th crossing, and the difference in 116th Avenue NE evaluation. Mr. McDonald stated that the 116th Avenue NE concepts were the same for both alternatives two and three. He stated that for NE 8th street crossing the analysis is to look at a grade separated or at grade crossing alternatives. Mr. McDonald stated that they were parallel components but different ways to look at it. Co-chair Wu asked if the alternative for 116th Avenue NE was the preferred concept. Mr. McDonald stated that he wouldn't call it the preferred alternative, but that it was a way to look at a reconfiguration of the street in relationship to pedestrians and cyclists. He stated that the ultimate configuration is not set, and that the Committee will provide a final set of recommendations. Co-chair Wu asked if the proposed grid was the best assumption for the EIS. Mr. McDonald stated that it was an action / no action toggle, and that it is either no action, or some form of an improved grid but was not specific in regards to alignment and location.

6. Affordable Housing 101

Mr. Calvert stated that the Council Principles identified affordable housing as a priority for the Wilburton Commercial Area. He stated that tonight would be the first in a multiple part series to discuss affordable housing. Mr. Calvert introduced Arthur Sullivan from A Regional Coalition for Housing (ARCH); Michael Kattermann, Senior Planner from the City of Bellevue; and Janet Lewin, Associate Planner from the City of Bellevue.

Mr. Sullivan stated that they wanted to provide an overview of affordable housing to explain the factors of supply and demand, as well as needs for affordable housing. He stated that they would also talk about the City's affordable housing strategy and how Wilburton could fit into the citywide efforts.

Mr. Sullivan explained that the City uses several prescribed affordability levels. He stated that there are three tiers that include very low income, low income, and moderate income. Mr. Sullivan stated that very low income equaled an income of \$20,000 for a single person household and up to \$30,000 for household of three or four. He stated that low income was equal to incomes of \$25,000 to \$50,000 per year. Mr. Sullivan stated that moderate income was equal to approximately \$52,000 or \$53,000 per year for a single person household and up to \$75,000 per year for a household of three or four. He stated that median income is just under \$100,000 per year for a family of four in the region.

Mr. Sullivan exhibited a chart that showed that in King County 23% of all households were between 30 and 50% of median income. He stated that 13% are earning between 50 and 80% of median income. Mr. Sullivan stated that 26% of households in Bellevue were between 30 and 80% of median income. He stated that the amount of housing in Bellevue affordable to those between 30 and 80% median income was 6 percent. Mr. Sullivan stated that meant that approximately 6,000 households in Bellevue are paying more than they can afford for housing.

Mr. Sullivan stated that the primary driver for demand in housing is a city's workforce. He stated that between 1980 to today the demand for housing has become significantly higher than what is available in the community. Mr. Sullivan stated that the ratio between

housing and jobs has continued to increase. He stated that this was also true for all other Eastside communities in King County.

Mr. Sullivan stated that nearly 46% of jobs generated in Bellevue pay under \$50,000 per year. He stated that almost half of those jobs paid less than \$25,000 per year. Mr. Sullivan stated that could be retail workers, hospital workers, bookkeepers, cooks, and more. He stated that housing costs have continued to increase higher in the area and that average rents are well over \$2,000 per month. Mr. Sullivan stated that the average home sale price is between \$800,000 to over \$1,000,000 depending on specific location within the city. He stated another emerging issue is condominiums. He stated that the average sales price did not reflect condominiums, and only single family homes. Mr. Sullivan stated that condominiums offer another form of ownership housing that is lower in cost than single family homes. He stated that most communities would like to see a balance of multi-family ownership and rental properties but has not been occurring in recent years, trending mainly towards rental.

Mr. Sullivan stated that it is not just about the absolute cost of housing, but its relative affordability to the local community. He referenced a graph that showed Bellevue's average rent compared to other areas. Mr. Sullivan stated that historically housing costs on the Eastside have mainly been higher. He stated that the graphic also shows affordability at 50 and 80% of median income. Mr. Sullivan stated that until a few years ago rents were affordable to 80% of the median income. He stated that overall, county wide has become unaffordable to those at 80% of median income.

Mr. Sullivan stated that 30% of income should be spent on housing. He referenced a chart that showed that a large majority of lower income residents are spending over 50% of their income on housing. Mr. Sullivan stated that 7,000 households in Bellevue are severely cost burdened. He stated that the types of households are also important. Mr. Sullivan referenced a graphic that showed household composition and that it translates into 60% of the households as one or two person households, but only 20% of the housing supply are one bedroom or smaller units. He stated that the addition of smaller units to the housing supply helps even the market. Mr. Sullivan stated that a lot of the growth for Bellevue is concentrated in Downtown, BelRed, and now Wilburton and that housing for families in urban areas should also be considered to help balance out the supply.

Mr. Sullivan stated that there are four main methods to address housing affordability. He said the first is to try and allow the housing supply to match the demand, as well as the diversity of housing types. Mr. Sullivan stated that a city's regulations can impact that. He stated that there are also tools through regulations that can encourage the development of affordable housing. He stated that BelRed has an incentive system that encourages growth. Mr. Sullivan stated that the third method is direct support such as funding and land donations. He stated that the South Kirkland Park and Ride is an example where the affordable housing has received subsidies from the city and other entities. Mr. Sullivan stated that direct support typically benefits those in lower income households, while indirect support tends to benefit moderate income households. He referenced a graphic that demonstrated how affordable units have been created, stating that for low income the units have almost always needed direct assistance. Mr. Sullivan stated that the market and regulatory system have benefited moderate income.

Mr. Sullivan stated that land use incentives would be a tool the Committee may consider. He stated that many Eastside communities have used such programs, and that in the last three years over 200 units per year have been built. Mr. Sullivan stated that the

Committee's work is not starting from the beginning. He stated that in addition to direct housing assistance and incentives there are programs that assist in relief from utility bills and property taxes to lessen the housing cost burden.

Mr. Kattermann stated that there is a wealth of information related to affordable housing. He stated that through the affordable housing strategy the City has tried to talk more about the people and to put a face on the needs of affordable housing. Mr. Kattermann referenced a Bellevue Police Department recruitment posting for a police officer. He stated that the starting salary for an officer in Bellevue was \$64,000 which is right at the moderate income level. Mr. Kattermann stated that an officer's salary could afford to rent an apartment at approximately \$1,500 to \$1,700 per month. He stated that it was unlikely to find an apartment in Bellevue at that rate which would require them to look elsewhere for housing. Mr. Kattermann stated that the average salary in Bellevue was approximately \$52,000 per year.

Mr. Kattermann stated that City Council established affordable housing as a priority. He stated that one of the reasons is that the City had been hearing from the public and business community and that it is impacting everyone in the city. He stated that the Human Needs survey demonstrated that about half of respondents found affordable housing to be the number one priority in the community. Mr. Kattermann stated that the results of this year's survey showed that affordable housing was the top priority for three quarters of respondents. He stated that the City's business survey from a few years prior rated affordable housing as the poorest of all business factors in Bellevue. Mr. Kattermann stated that those in the retail and tourism industries were having a difficult time attracting and retaining employees. He stated that at the beginning of the engagement process for the affordable housing strategy a representative of the Bellevue School District stated that the school district loses approximately a quarter of first year teachers, following their first year of employment, due to of housing costs. Mr. Kattermann stated that a first year teacher earns approximately \$48,000 per year. He stated that the teachers often live elsewhere and become tired of the commute. Mr. Kattermann stated that there was a cost associated with that, including those that are required to commute long distances and to businesses having to recruit new employees every year.

Mr. Kattermann stated that Council wanted specific actions from the plan to assist in resolving affordable housing issues. He stated that Comprehensive Plan policies and economic development strategies focus on creating more affordable housing. Mr. Kattermann stated that as part of developing the plan, the City engaged in substantial public outreach and a technical advisory group that was appointed by the Mayor and Bellevue City Council. He stated that the advisory group provided technical expertise and assistance in identifying the most effective strategies. Mr. Kattermann stated that they also held an educational forum for the general public, met with stakeholders, and employed web based outreaching.

Mr. Kattermann stated that all groups identified affordable housing as an issue, but there was not a consensus on how to address the challenge. He stated that there was general agreement that funding for affordable housing should increase, but not a consensus on where that funding should come from. Mr. Katterman stated that the technical advisory group was not tasked with a specific recommendation, but they did identify a list of actions. He stated that the group agreed that there was no silver bullet to address affordable housing, but that it would take multiple strategies. Mr. Kattermann stated that the group also agreed that substantial action should be taken rather than minor modifications, and that the strategy would need to be impactful. He stated the goal was to

create 2,500 affordable units over the next 10 years. He stated that current trends created 90 affordable units per year, but the strategy identified a goal of creating 250 affordable units per year. Mr. Kattermann stated that the group also identified flexibility and the measurement of success as priorities so that the plan could be recalibrated as needed to achieve the desired outcomes.

Mr. Kattermann stated that in the last budget, Council committed an additional \$500,000 for each of the next seven years to be contributed to ARCH. He stated that the group came up with five strategies as well as actions:

- Help residents stay in affordable housing
 - Preserve existing developments
 - Legislative changes
 - Multi-Family Tax Exemption (MFTE)
 - Home repair and weatherization program
 - Promote energy efficiency
 - Promote utility and tax relief programs
- Create a variety of housing choices
 - Micro apartments around light rail stations
 - Detached accessory dwelling units
 - Promote universal design
 - Down payment assistance
- Create more affordable housing
 - Increase development potential; public, faith based, existing non-profit properties
 - Develop affordable housing on public lands near transit
 - Update MFTE
 - Inclusionary zoning
 - Reduce development costs
- Unlock housing supply by making it easier to build
 - Reduce development costs
 - Legislation to resolve condo warranty issues
 - Expand use of FAR in multi-family zones
- Prioritize state, county, and local funding for affordable housing
 - Tap additional local funding sources
 - Pursue other funding partnerships
 - Advocate for additional tools

Mr. Kattermann stated that implementation included updating the MFTE program, completing code updates to Downtown and Eastgate, and future code updates for East Main and the Wilburton Commercial Area. He stated that they would continue to engage in stakeholder and community outreach and would monitor strategies and report to City Council.

Mr. Sullivan stated that they would be happy to set up a tour for the Committee so that they could see how an affordable housing development works. He stated they would also return with examples and case studies. Mr. Sullivan stated that ultimately it would assist the Committee in developing concepts and strategies for the Wilburton Commercial Area plan. He stated that he wanted to provide the necessary resources so that the Committee

could arrive at recommendations that would be beneficial in their planning process.

7. Committee and Property Owners Workshop

Mr. Calvert stated that the visioning exercise is to encourage the Committee to consider the aesthetic qualities of the study area. He stated that one of the Council Principles was to develop a distinct identity and aesthetic for the Wilburton Commercial Area. Mr. Calvert stated that they wanted to better understand the Committee's priorities such as form, building-sidewalk relationship, and materials as examples. He stated that in addition to buildings, the visioning exercise included streets and parks and open spaces.

Mr. Calvert stated that the Committee members were given a series of precedent images to inspire ideas and concepts. He explained that the images were not intended to be viewed as a catalogue, but rather to consider their elements and to find elements that match their priorities and vision for the study area. Mr. Calvert encouraged the Committee members to make notes on the cards of elements that they liked and didn't like and to potentially designate areas where they may see these specific elements applied. He stated that the exercise would ultimately help establish concepts for design guidelines, development standards, and incentives.

❖ *The Committee and stakeholders began separate work sessions at 7:09 pm and reconvened at 7:48 pm*

Mr. Calvert asked to hear brief report outs from each team that helped highlight priorities and potential conflicts.

Building Typology Team

Co-chair Barksdale stated that the team separated the study area into districts. He stated that the central area the priorities included transparency, animation of spaces between the building and the street, and contrast between the podium and tower. Co-chair Barksdale stated that for the second district (northeast portion of the study area) the priorities included views of the lake, reuse of existing buildings, variability in materials, rooftop uses, and indoor /outdoor space. For the third district (south of Lake Bellevue and east of the central area) the priorities included space between buildings and engaging facades and rooftops. For the fourth district (the area south of NE 4th Street) the priorities included variation in building form and materials.

Parks and Open Space Team

Ms. Kumar stated that their biggest priority was a central civic space in the study area for festivals, music, art, and playgrounds. She stated that along the Eastside Rail Corridor (ERC) they would like to see it green and guidelines for businesses along the ERC to promote accessibility. Ms. Kumar stated that they wanted to highlight the natural features such as the wetland and Sturtevant Creek as assets to the study area. She stated that the team wanted to see public spaces with seating and lighting. The team also supported connecting the Eastside Rail Corridor, Botanical Garden, and Wilburton Hill Park as part of extending the Lake to Lake Connection. She stated that plazas for pop-up retail and food trucks was also highly desirable. Ms. Kumar stated that incorporating elements of history were also important.

Streets and Connectivity Team

Co-chair Wu stated that the team preferred smaller streets such as alleys. She stated that the team wanted to see separation through planting boxes and other green features between cars and other modes of transportation. Co-chair Wu stated that texture in design and materials was a priority to the team to create visual interest. She stated that overall the team wants to see interesting intersections of places and types of connectivity that are focused on people. Co-chair Wu stated that the entire team liked intimate spaces that allowed users to sit in the streetscape. She stated that the majority of the team like an urbanized feel for the Eastside Rail Corridor, but wanted to see a greener corridor in the southern portion of the study area.

Mr. Calvert stated that staff would bring back consistent themes and concepts to the entire Committee and determine if there is a consensus around some of the ideas. He stated that the Committee would revisit the discussion at the next meeting.

8. Adjourn

Co-chair Barksdale adjourned the meeting at 8:00 p.m.