

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

July 15, 2013
8:00 p.m.

Council Chamber
Bellevue, Washington

PRESENT: Mayor Lee, Deputy Mayor Robertson, and Councilmembers Balducci, Chelminiak, Davidson, Stokes and Wallace

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:06 p.m., with Mayor Lee presiding.

2. Roll Call, Flag Salute

Upon roll call, all Councilmembers were present. Councilmember Balducci led the flag salute.

3. Communications: Written and Oral

- (a) David Pater, representing a group of Spiritwood neighbors, expressed concern about the introduction of boarding houses in the neighborhood. He noted that a number of residents testified on this topic during the June 10 Council meeting. Residents have spoken with City staff and urge the Council to address this topic soon. Mr. Pater described a specific conversion of a single-family residence to a boarding house model, with no common living areas in the structure. He expressed concern about negative impacts on residents' quality of life and neighborhood character.

Deputy Mayor Robertson noted that the City Manager would address the issue during his report.

- (b) Nanette Fricke, a Spiritwood resident, said she is concerned about homes being used as boarding houses without being regulated as such. The City Code defines boarding house as a dwelling in which roomers and/or boarders are housed and/or fed for profit. This definition clearly covers what is happening in the Spiritwood neighborhood. Each room is being advertised as a paid rental through Craigslist. Rooms are being rented to six or more unrelated individuals who have no need for staff supervision and are not part of a protected class of citizens. Individuals are not living together as a single housekeeping unit as required by the City's definition of a family. Ms. Fricke said the City Code's regulations for boarding houses indicate that the landlord cannot rent more than two rooms to not more than two persons, other than those occupying a single-family dwelling.

The owner is to provide off-street parking at the rate of at least one parking stall per room. Ms. Fricke said residents are asking the City to enforce its current code regarding boarding houses. She understands that amending the code is a more extensive process. Ms. Fricke submitted her comments in writing.

- (c) Sam Bellomio, StandUP-America, referred to a letter from the Mayor to the City's security personnel, which indicates that on June 17, Mr. Zimmerman was "clouding the festivities with negative comments." Mr. Bellomio said free speech is not a right only for citizens speaking in support of the government. He said the letter indicates that Alex Zimmerman was removed from the meeting for making negative comments. He expressed concern that the Council is trying to limit their freedom of speech. Mr. Bellomio noted that the Council is considering amending its rules for oral communications. He said the City has a long history of not limiting public comment. He noted that certain cities allow any citizen to speak for five minutes instead of three minutes.
- (d) Alex Zimmerman characterized Councilmembers as idiots and possibly mentally sick people who are trying to block freedom of speech. He expressed concern that the King County Council does not allow the public to speak.
- (e) Kelly Rider, Policy Director for the Housing Development Consortium (HDC) of King County, thanked the City for its support of affordable housing through ARCH (A Regional Coalition for Housing) and through incentives offered for affordable housing in the Bel-Red Plan. She spoke to the need for affordable housing in Downtown Bellevue as well and asked the Council to consider incentives there. She suggested that the Council ask ARCH to analyze housing needs and to recommend incentives. She said that effective incentives can allow communities to increase the supply of affordable housing, support economic development, and to reduce sprawl, traffic congestion, and pollution. She suggested that the Spiritwood boarding house issue is an example of what can happen when affordable housing opportunities are not available in appropriate neighborhoods

Mayor Lee reminded the audience to speak politely and appropriately to the Council during Oral Communications. He said the Council welcomes and encourages all public input. However, the Council does not engage in conversation with citizens during Oral Communications. Mayor Lee said citizens are invited to communicate with the Council in other ways including email, phone calls, and correspondence.

4. Reports of Community Council, Boards and Commissions

Steve Kasner, Chair of the East Bellevue Community Council, said he and the Community Council shares residents' concerns about the proliferation of boarding houses. He said this real estate strategy is popping up all over the country. He encouraged the Council to address this issue urgently and cautioned that the practice will continue to grow rapidly given the proximity of the Spiritwood neighborhood to Bellevue College. He believes the City needs to work with the college, developers, residents, and others to address the problem. He suggested that the Council consider establishing a citizen advisory committee and noted that he would like to be involved in resolving the issue. Mr. Kasner thanked the Council for their hard work for the community.

Mayor Lee said the entire City Council is concerned about the Spiritwood issue and is committed to working with residents and staff.

5. Report of the City Manager

(a) Update on Spiritwood Neighborhood

Acting City Manager Brad Miyake thanked residents for bringing their concerns about boarding houses to the Council and the City. He explained that staff has met with some of the owners of the houses. Staff is reviewing the City's current regulations and will be entering into mediation with neighbors and the owners of the new rental homes. Mr. Miyake said staff will come back to the Council with additional information.

Mayor Lee asked staff to come forward to respond to questions.

Mike Brennan, Development Services Director, said staff has been speaking with residents and the property owners of the rental homes. He said this is a complicated issue with regard to the Code. He acknowledged that there are changing needs within the community for more housing, especially with Bellevue College becoming a four-year college. He asked the Council to consider whether it would like to address the broader issue or the current specific situation.

Deputy Mayor Robertson thanked staff for the update. She said this has been an issue in other neighborhoods as well. She would like to see a robust discussion of the topic by the Planning Commission. She encouraged residents to sign up for e-alerts on the City's web site in order to follow the Commission's work on this issue. She said the City has a single-family housing book that would be helpful in educating residents about the City Code. She suggested translating that pamphlet into more languages. She is pleased to see the attention to the current situation, but reiterated that this has been a problem citywide for a number of years. She supports working to resolve the immediate Spiritwood situation and also taking a broader look at the issue.

Councilmember Chelminiak said he previously requested a quicker response to this issue. He recalled that Councilmember Wallace previously expressed strong concerns as well. Mr. Chelminiak said his understanding is that a number of the owners are overseas. He said he is a big fan of direct foreign investment for economic development. However, he is not a fan of unwanted economic activity in single-family neighborhoods. He is interested in whether the homes are EB5 eligible projects under federal law.

Mr. Chelminiak believes the boarding house matter should be addressed through the City Code soon before the homes continue to expand throughout the community. He thanked Nanette Fricke for her comments and research. He is interested in the legal issues and would like to see stronger regulation. He is concerned about this trend toward turning a modest home into multiple leased rooms. He noted testimony that the homes no longer have common living areas.

Mr. Chelminiak said that group homes protected by the federal government have a social purpose. However, the current situation in Spiritwood is based solely on economic profit.

Councilmember Balducci questioned how this is not against current regulations. She received an email from a realtor who indicates there were situations in the past in which the City's current regulations were enforced to address similar activity. Ms. Balducci said she understands that proof is an issue. However, she believes it should not be an insurmountable issue.

Ms. Balducci said the homes in Spiritwood are completely different from group homes that serve a group of individuals going through specific treatment or other special care. While she greatly respects the City's mediation program, she observed that it will be difficult to mediate a business venture out of making money.

Responding to Mayor Lee, Mr. Brennan said the issue is complicated. Mr. Brennan suggested that staff could provide information to the Council showing what the current Code does and does not achieve. Staff can develop options and/or provide briefing materials for the Council's consideration.

Councilmember Balducci said there has not been a house sold on her street in two or three years that has been occupied by the buyer. Ms. Balducci is not opposed to boarding houses. However, she said the City has zoning codes to locate compatible uses in appropriate and compatible locations.

Deputy Mayor Robertson stated her understanding that it appears to Spiritwood residents that current codes will be violated based on the planning and work underway. However, violations have not occurred to date.

Carol Helland, Land Use Director, said staff would be meeting with the ownership groups the next day. Staff's investigation of the homes indicates that none of the homes are occupied to the extent of a violation of the definition of family. The City does not have specific rental requirements and therefore occupancy is related to the definition of family. Families are allowed to have boarding homes under the boarding provisions. However, they must occupy those homes.

Ms. Helland acknowledged that there are gaps in the City Code. She said prospective violations anticipated by the neighborhood have not been verified. City staff is meeting with the ownership groups to discuss current regulations and to talk to them about the community's concerns. Ms. Helland said codes will be enforced as violations occur. The City would like to engage the specific ownership group in mediation to encourage a dialogue with neighbors.

Deputy Mayor Robertson said there is a need to both mediate this situation and tighten the code. She concurred with Councilmember Chelminiak's comment about ensuring there is a certain amount of common living space in single-family homes. Ms. Robertson said the issue needs to be addressed for all neighborhoods through the Land Use Code and the Comprehensive Plan.

Councilmember Davidson concurred with Councilmember Balducci and said he does not understand why this cannot be enforced under the current code. He observed that the situations sound like multifamily dwellings in single-family zoning. He recalled that the definition of family (i.e., up to six unrelated people) related more to group homes providing social services than it did to the issue of single-family and multifamily zoning.

Councilmember Wallace said he is hearing a consensus around the need to move faster on this issue. He noted precedence with the City's regulation of prospective nuisances, for example, in the case of commercial properties. He expressed concern that the Spiritwood situation represents an end run around the Comprehensive Plan, zoning regulations, and building codes; yet, nothing can be done because a violation has not yet occurred.

Mr. Wallace said it is important to preserve the authority of the Comprehensive Plan and zoning regulations in single-family neighborhoods. He thanked residents for bringing this issue to the attention of the Council. He concurred with Ms. Robertson about the need to work toward a long-term solution to prevent further activity.

Councilmember Stokes said it should be clear that the Council wants appropriate and legal resolution of the current circumstance as well as a long-term solution. He said this is a troubling, growing urban phenomena. He said the Council is committed to protecting single-family neighborhoods.

Mayor Lee agreed with the need for quick action. He said the Spiritwood situation occurs in other areas and is symptomatic of the housing challenges. Regarding the earlier reference to direct foreign investment, he said it is important to investigate the situation, gather facts, and resolve the issues.

Councilmember Stokes said Bellevue needs to work on expanding the stock of affordable housing in Bellevue. He welcomes foreign investors who would like to come in and help provide low-cost housing in an appropriate manner.

Mr. Miyake said staff will report back to the Council soon. He thanked neighbors for their involvement with the City.

(b) Management Brief Update on Downtown Livability

Mr. Miyake referred the Council to the management brief providing an update on the Downtown Livability Initiative [page 5-1 of meeting packet].

Dan Stroh, Planning Division Director, said the Downtown Livability Steering Committee has met twice and meets again this Wednesday. There is strong public interest in the meetings. The Committee Co-Chairs are Ernie Simas (Transportation Commission) and Aaron Laing (Planning Commission). The group is currently focused on an overview of the Land Use Code.

Mayor Lee thanked staff for the update.

6. Council Business and New Initiatives

Councilmember Davidson said he was appointed to the Regional Water Quality Committee (RWQC) by the Sound Cities Association. He attended a joint meeting of the RWQC and the Cascade Water Alliance. Dr. Davidson said he is happy to be back to work.

Deputy Mayor Robertson reported that she attended an Eagle Court of Honor ceremony. She recognized Bellevue Firefighter/Paramedic Paul Hyatt, who won a Medic 1 award for supporting other firefighters and the community. He had heard about a firefighter who had been badly burned in a house fire in Seattle and was not able to work. Mr. Hyatt organized an effort to help the firefighter and his family, and was subsequently invited to throw the first pitch at Thursday's Mariners-Red Sox game. Ms. Robertson said these stories illustrate the positive and caring community in Bellevue and make her feel lucky to live here.

Councilmember Balducci reported that she chaired the Puget Sound Regional Council (PSRC) Transportation Policy Board meeting. She attended Bellevue's Saturday Farmers Market, which she would love to see stay at its new location. She hopes that issues regarding parking and access can be resolved.

Councilmember Stokes attended meetings of the King County Regional Policy Committee (RPC) and the Eastside Transportation Partnership (ETP). He concurred with Ms. Balducci about the great new location for the Farmers Market and encouraged everyone to go.

Councilmember Wallace suggested that perhaps private parking options might be available to help with the Downtown Farmers Market. He noted an article about the Pacific Northwest Ballet School in the Bel-Red corridor and a potential conflict with the East Link project.

Ms. Balducci stated her understanding that Sound Transit has identified and is studying an option that is likely to be acceptable to the school.

Councilmember Wallace said he had a brief conversation with a King County representative about graffiti on the Wilburton trestle. He was told it would cost \$400,000 to remove the graffiti. He asked that County and City staff work to identify a less expensive option.

Councilmember Wallace reported that he attended a meeting of the Eastside Transportation Partnership.

Mr. Wallace praised the Police Department for their proactive approach to emerging issues. He noted the immediate increase in patrols around schools following the Sandy Hook incident on the East Coast and the current aggressive emphasis on home burglaries.

Mayor Lee thanked everyone who worked on the 4th of July celebration. He attended a dinner in Seattle sponsored by the Chinese-American community to honor Governor Inslee and the Bellevue Sister Cities Association picnic at Lewis Creek Park. He invited everyone to attend the ceremony at City Hall on July 29 to dedicate the Fu Dog statues received from the Sister City of Hualien, Taiwan. This is the 30th anniversary of that Sister City relationship.

Mayor Lee said the City received an invitation from iSustain to participate in a bicycle tour of Sweden and Denmark. It is privately funded by the Scan Design Foundation, which is inviting eight City of Bellevue representatives. In 2012, City of Seattle elected officials and staff participated in a similar tour.

7. Approval of the Agenda

→ Deputy Mayor Robertson moved to approve the agenda, and Councilmember Chelminiak seconded the motion.

→ The motion to approve the agenda carried by a vote of 7-0.

8. Consent Calendar

→ Deputy Mayor Robertson moved to approve the Consent Calendar, and Councilmember Chelminiak seconded the motion.

→ The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved.

- (b) Resolution No. 8608 authorizing execution of a professional services agreement with Piper Jaffray Companies, in an amount not to exceed \$250,000, to provide financial advisory services.
- (c) Resolution No. 8609 authorizing execution of a four-year Hardware Purchase, Technical and Maintenance Services Agreement with Leverage Information Systems, Inc., in an amount not to exceed \$256,000, for the replacement of the City's wireless system.
- (d) Resolution No. 8610 authorizing execution of a 2013-2015 successor labor agreement by and between the City and the International Association of Firefighters Union, Local 1604, representing Firefighters for the contract period January 1, 2013 through December 31, 2015.
- (e) Ordinance No. 6117 amending Ordinance No. 5811, subsequently amended by Ordinance No. 5938, extending the existing boundaries of Residential Permit Parking Zone 3 to include the east side of 107th Avenue SE from SE 10th Street, north to the end of the cul-de-sac and both sides of SE 10th Street from 107th Avenue SE to 108th Avenue SE.
- (f) Ordinance No. 6118 implementing "No Parking Anytime" restrictions on the west side of 107th Avenue SE from SE 10th Street, north to the end of the cul-de-sac.
- (g) Motion to award RFP No.13119 for the 2013 DuraStripe Maintenance Project to Stripe Rite Inc., in the amount of 85,760.00.
- (h) Resolution No. 8611 authorizing execution of a professional services agreement with Jacobs Engineering Group, Inc., in an amount not to exceed \$800,000, for engineering services for the Wilburton Sewer Capacity Upgrade Project (CIP Plan No. S-60).

- (i) Motion to award Bid No. 13156 for Storm Trenchless Repair (2013) to MVG, LLC, as the lowest responsible and responsive bidder, in the amount of \$64,850.00 (CIP Plan No. D-64).

9. Public Hearings: None.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions: None.

12. Unfinished Business: None.

13. Continued Oral Communications

- (a) Nanette Fricke thanked Councilmembers for their support and understanding of the urgency of the boarding house issue. With regard to the comments on foreign investment, Ms. Fricke said that both foreign investment groups and local individuals are involved in boarding house businesses. She clarified that residents are concerned because the houses seem to be a bigger issue in Spiritwood than in some areas of the city, but the issue is not about foreign investment. Ms. Fricke said she disagrees with Ms. Helland's interpretation that these homes are in compliance with the law and the definition of family. She urged Councilmembers to read the code as well as comments submitted by her husband and herself.
- (b) Stephanie Walter thanked the Council for its attention to the boarding house issue and for the supportive comments and compassion. She said her husband's initial response was to suggest moving to Kirkland. However, she does not want to leave her neighborhood or her city.

14. New Business: None.

15. Executive Session: None.

16. Adjournment

At 9:46 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

/kaw