

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

November 4, 2013
8:00 p.m.

Council Chamber
Bellevue, Washington

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

ABSENT: Deputy Mayor Robertson

1. Call to Order

The meeting was called to order at 8:05 p.m., with Mayor Lee presiding.

2. Roll Call, Flag Salute

All Councilmembers except Deputy Mayor Robertson were present. Councilmember Wallace led the flag salute.

3. Communications: Written and Oral

- (a) Alex Zimmerman, representing StandUP-America, said they have been coming to Council meetings for the past couple of years. He said they are asking that the City stop lying, cheating and stealing. He said the Police are crooks and liars. He wants the City Manager to have monthly meetings with citizens to allow them to raise issues and questions. Mr. Zimmerman said StandUP-America wants change. They want to clean the City of dirty crooks.

Mayor Lee said the comments are not appreciated and do not incline Councilmembers to want to listen. Responding to continued comments from Mr. Zimmerman in the audience, the Mayor said he would be asked to leave if he keeps disrupting the meeting.

- (b) Paula Revere commended the Council for doing their long weekly meetings. She expressed concerns about the economic crash of 2007. She said we are all being sabotaged educationally, financially, physically, medically and spiritually. She has seven exhibits which would take about an hour to show. She said these issues affect all of us.

Councilmember Chelminiak suggested suspending the Council Rules to allow the Mayor to determine the amount of time allotted to speakers based on their frequency of speaking at Oral Communications. Councilmembers suggested he address the issue during Council Business.

4. Reports of Community Council, Boards and Commissions: None.

5. Report of the City Manager

(a) I-405 Express Toll Lanes and Project Funding

Acting City Manager Brad Miyake opened staff's update on the I-405 express toll lanes and project funding. He said staff is seeking a Council consensus for the final meeting of the I-405 Executive Advisory Group, which Councilmembers Balducci and Wallace will be attending.

Transportation Director Dave Berg said the key issues for tonight are the carpool definition for the I-405 express toll lane system and the funding and phasing of the I-405 implementation plan.

Mr. Berg said there have been three Executive Advisory Group meetings this year. He briefly reviewed the main issues and decisions. The fourth meeting is scheduled for November 7, and the group is expected to formulate a final recommendation for the carpool definition.

Mr. Berg highlighted two key provisions in state law which must be met after two years or the express toll lane program will be terminated. Express toll lanes must maintain speeds of 45 miles per hour at least 90 percent of the time during peak periods and the lanes must generate sufficient revenue to pay for all I-405 express toll lane operating costs.

Mr. Berg described the phasing of the 40-mile system. The Bellevue to Lynnwood section is anticipated to open by the end of 2015, and the Bellevue to Renton section is targeted to open by 2022.

Mr. Berg described the net revenue projections under six express toll lane scenarios. He noted that some do not meet the state law requirements for revenue collection.

Mr. Berg described the high traditional funding option for I-405 completion, which raises revenues through the gas tax with no tolling. The medium traditional funding option, with \$215 million needed from toll revenue, uses either toll revenue financing to complete and open the system by 2022 or a pay-as-you-go approach with estimated completion in 2026. The low traditional funding scenario needs \$500 million from toll revenue and funds a reduced scope of work for the Renton to Bellevue section.

Mr. Berg said that Councilmember Wallace serves on the EAG. Councilmember Balducci will also attend the upcoming meeting for Sound Transit Board Member Fred Butler, who has served on the EAG but is unable to attend the next meeting. The EAG will submit its recommendation

to the Washington State Transportation Commission, which will begin the rate-setting process. The Washington State Department of Transportation (WSDOT) delivers the funding and phasing report to the Governor and the Legislature by December 2013.

Councilmember Wallace said he raised this issue during a previous meeting because he would like Council input before the Thursday meeting. He noted the requirements in State law described by Mr. Berg and said he believed those requirements are tied to federal funding as well. Mr. Wallace said the EAG is coalescing around Scenario C which provides free tolls for 3+ carpools during peak periods and for 2+ carpools during off-peak times.

Councilmember Balducci said Sound Transit and transit agencies are leaning toward option C as well. Their interest is in keeping vehicles moving, including their buses.

Councilmember Stokes suggested that the Council support Scenario C and authorize Councilmembers and/or staff to take that position to Thursday's meeting.

Responding to Mayor Lee, Councilmember Wallace said he is assuming that the estimates and data provided to the EAG are generally accurate. Scenario C has the least impact on the community and also produces positive revenue. WSDOT believes it will be able to manage the lane at a speed of 45 miles per hour.

Councilmember Balducci said WSDOT has gained experience with tolling and its predictions have proven to be fairly reliable for SR 520. Kim Becklund, Transportation Policy Advisor, confirmed that estimates regarding driver behavior and revenues have been largely accurate.

Councilmember Wallace said it is up to the state legislature to decide whether HOT lanes will be implemented. However, the EAG is being asked to provide a preference should the State decide to implement a project.

Responding to Councilmember Davidson, Councilmember Wallace said the legislature will address whether to use HOT lane revenue to bond additional financing or use the toll revenues directly to pay for the project. The challenge of bonding is that only two-thirds of the tolling revenue could be applied to the debt, and the interest rate on the debt would be 7.5 percent. He contrasted that with the City's bond issue earlier in the year at 2.7 percent interest.

Councilmember Wallace said that bonding gas tax revenues would be a more cost-efficient way to fund the project. He believes that tolling revenues should be applied directly to project expenditures but they should not be used for bonding.

Mayor Lee noted Council support for the approach presented by Councilmember Wallace.

6. Council Business and New Initiatives

- Councilmember Chelminiak moved to suspend Council Rules to allow the Mayor to determine the length of time, if any, allotted to speakers based on their frequency of speaking at Oral Communications, and to request staff to bring a permanent rule back for Council consideration on December 2. Councilmember Wallace seconded the motion.

Councilmember Chelminiak said there are individuals who speak to the Council on a regular basis. He said the Council cannot help Paula Revere with her issues. Speaking to Alex Zimmerman and Sam Bellomio, Mr. Chelminiak said he would be happy to listen to their comments on issues that are germane. However, the Council must be able to manage its own time during its meetings.

Councilmember Balducci said she is a strong advocate for encouraging public comment. However, to repeatedly hear the same rant with no discernable purpose, she believes the time can be better spent focusing on issues to benefit the whole community.

Councilmember Davidson concurred. He said the communications generally end up with the speakers calling the Council insulting names, which is not inclined to generate a positive response from the Council. He will support the motion.

Mayor Lee said the Council wants to listen to the public and respects everyone's right to speak. However, the communications should be done with respect and with a purpose seeking a positive response or objective. He said the Council has tolerated this repeated negative commentary for a couple of years now. As Councilmember Chelminiak said earlier, the Council needs to be able to manage its own time. Mayor Lee said the Council is not interested in negative name-calling that has no purpose and is not constructive.

Councilmember Stokes said he trusts that the public understands the Council's intentions.

- The motion carried by a vote of 6-0.

7. Approval of the Agenda

- Councilmember Stokes moved to approve the agenda, and Councilmember Balducci seconded the motion.

- The motion to approve the agenda carried by a vote of 6-0.

8. Consent Calendar

- Councilmember Stokes moved to approve the Consent Calendar, and Councilmember Balducci seconded the motion.

- The motion to approve the Consent Calendar carried by a vote of 6-0, and the following items were approved:

- (a) Minutes of October 7, 2013 Study Session
Minutes of October 7, 2013 Regular Session
Minutes of October 14, 2013 Extended Study Session
- (b) Resolution No. 8641 authorizing execution of all documents necessary for the purchase of the Widden Property (King County Parcel 939970-0035) from Joseph and Colleen Widden, in an amount not to exceed \$62,700, for critical area mitigation of CIP Project No. PW-R-160, NE 4th Street Extension, 116th to 120th Avenues NE.
- (c) Ordinance No. 6134 authorizing the: 1) execution of a Department of Homeland Security (DHS) Subgrant Agreement with the Washington State Military Department to accept grant funds in the amount of \$344,300 for vulnerable populations planning, public preparedness education and outreach, UASI program coordination and grant management/administration; 2) amendment of the 2013-2014 budget to include the grant amount of \$344,300; 3) deposit of said funds into the 2013-2014 budget of the Operating Grants, Donations, and Special Reserves Fund; 4) appropriation of unanticipated and future revenues to that fund; and 5) expenditures of said grant funds.
- (d) Resolution No. 8642 authorizing execution of an amendment to the Technical Services Agreement with The Sanborn Map Company, Inc., increasing the contract amount by \$53,122.05 for a contract total of \$76,484.15, for the purchase of land cover data in the City of Bellevue.
- (e) Resolution Nos. 8643 and 8644 authorizing execution of Non-Exclusive Easements to Puget Sound Energy, Inc. to install, operate, and maintain electrical power transmission and distribution systems for the Bellevue Youth Theatre and the Bellevue Botanical Garden Visitor Center projects.
- (f) Resolution No. 8645 authorizing execution of a Memorandum of Understanding (MOU) by and between the City and the Bellevue Police Management Association (BPMA), for a one-year labor agreement extension from January 1, 2014 through December 31, 2014.
- (g) Resolution No. 8646 authorizing execution of a professional services agreement with Osborn Consulting, Inc., in an amount not to exceed \$90,000, for engineering services for the Kelsey Creek Sewer Stabilization project (CIP Plan No. S-32).

9. Public Hearings

- (a) Public Hearing on Emergency Interim Zoning Control Ordinance No. 6128 adopted on September 23, 2013, to address impacts resulting from the rental of multiple rooms in single family dwellings to unrelated individuals.

- (1) Staff Report

Acting City Manager Brad Miyake recalled that, earlier this year, residents brought concerns regarding multi-room rentals in single-family neighborhoods to the Council. He said the residents have been working with the Council and staff to address the negative impacts.

Carol Helland, Land Use Director, said emergency Ordinance No. 6128 was adopted on September 23, 2013 to address this emerging business model not contemplated by the Land Use Code. This involves ownership groups purchasing older affordable housing stock and leasing the rooms individually under separate lease agreements.

Ms. Helland said state law requires tonight's public hearing. A key provision of the ordinance is to decrease the number of unrelated adults who can live together from six to four adults, while retaining the ability for any number of related person to live as a family. The emergency ordinance clarifies what constitutes "related persons" as well as boarding/rooming houses and bed and breakfast entities. It further provides for the amortization of current uses that do not conform to the emergency ordinance provisions.

Ms. Helland said staff is requesting direction to affirm the emergency ordinance for the allowed six-month period and to adopt the Planning Commission Principles to guide the Commission's work on permanent regulations.

- (2) Motion to Open Public Hearing

- Councilmember Chelminiak moved to open the Public Hearing, and Councilmember Balducci seconded the motion.
 - The motion carried by a vote of 6-0.

- (3) Public Testimony

The following citizens came forward to comment:

- 1. Alex Clark, representing students of Bellevue College as a member of student government, said he submitted a letter via email earlier in the day. He read the letter opposing Ordinance No. 6128. He said there is an urgent need for housing since Bellevue College became a four-year college. He expressed concerns regarding high housing and living costs and the continued reductions in transit service.

2. Paul Bell, a Bellevue College student, said the college is a major employer and educational facility in Bellevue. The college provides conference facilities, a performing arts center, and the community's NPR station. He asked the Council to reject Ordinance No. 6128 and to reconsider the issues with student input.
3. Bart Goft said he is opposed to the emerging trend of single room occupancy (SRO) rentals in single-family homes and neighborhoods. He recalled his past activism as a representative of housing rights. He said there is a need to understand the difference between a homeowner renting a room to a student versus an absent property owner renting individual rooms in a home to students or other unrelated individuals. He said Bellevue College needs to build its own housing. Mr. Goft questioned why the college is not subsidizing housing in existing apartment complexes until more student housing can be built.
4. Julia Wang expressed support for the students' testimony. She believes it is reasonable to allow multi-room rentals given the housing prices in Bellevue. She noted that the college stimulates the local economy, and allowing students to live closer to the college avoids transportation impacts. She asked the Council to reconsider the emergency ordinance.
5. Tyler Armstrong encouraged the Council to affirm Ordinance No. 6128. He lives near a property where a large home is being built. He has a three-year-old child and does not want that child to grow up in a neighborhood of college student room rentals. He attended the University of Washington and lived in a house with eight or nine males, and that is not what was intended for the neighborhoods near Bellevue College. He said new families are buying homes from older residents and they want to preserve the family character of the neighborhood.
6. Tom Bailey said he grew up in Bellevue but now lives out of state. He said a number of houses near his parents' home are being modified for multiple residents. He expressed concern about parking impacts and noted a large house on 145th and 18th that could fit six neighboring houses inside it. He questioned how Bellevue College became a four-year school without any plan for housing. He asked why apartments are not being built along arterials instead of in single-family neighborhoods.
7. Glenn Extor concurred with Mr. Goft's earlier comments. He said Julia Wang, who spoke earlier, does not live at the address she provided, which is a rental property. He fully supports Ordinance No. 6128.
8. Rob Crouch expressed concern that allowing four unrelated adults could result in several adults with each having a number of children. He believes that gets into the area of multifamily housing. He is concerned that absent landlords/owners do not take care of their properties. He said that encouraging this investment model is contrary to Bellevue's tradition of strong neighborhoods. He encouraged the Council to consider affordable multifamily housing in the Eastgate area near I-90.

9. David Newman said the house next door to him has been converted from a three-bedroom home to six rental rooms. He said the occupants are not only unrelated but strangers to each other. He said this is different from situations in which friends choose to live together while they are going through college. He urged the Council to keep the emergency ordinance in effect and to move forward to finalize a permanent ordinance.
10. John Cooper lives on the other side of the house described by Mr. Newman. He said the occupants are not students. There have been students in the past but they were driven out by criminal activity going on there. He said there have been multiple 911 calls to the house and the property is not maintained. The nature of the activity makes neighbors feel unsafe.
11. James Lowe said he raised this issue approximately one year ago. He would like the taxpaying residents to have a greater say in this issue than students who are transient residents. He suggested that each new rental be reported to the City to ensure that rules are followed. One of these houses is a few doors down from him. They have overflowing garbage cans out front and litter on the street. Mr. Lowe suggested that the City consider a special tax, like the hotel/motel tax, on these current living units.
12. Wei Cai expressed support for Ordinance No. 6128 and encouraged the Council to adopt permanent regulations. She said she was an international student and the American family who hosted her played a pivotal role in her success in this county. She now hosts International students in her spare room. However, they live as a family and she is not running a business.
13. Irene Fernandes, a Spiritwood resident, expressed support for Ordinance No. 6128. She said it is not appropriate to house large numbers of transient individuals in single-family homes and neighborhoods. She said permanent regulations should be written as soon as possible, and it is important that the City have adequate staffing to enforce the code. Ms. Fernandes thanked Acting City Manager Brad Miyake, Land Use Director Carol Helland, and members of the Code Compliance Division for their hard work in bringing the ordinance to the Council. She thanked Councilmembers for their unanimous vote in favor of the emergency ordinance.
14. Joe Davies said he recently returned to Bellevue to help care for his elderly mother. He expressed concern that homes have been sold to owners who modify them to create multiple rental units. A home next door to his parents has been turned into eight bedrooms. There are seven to eight cars parked on the street at all times as well as litter and increased activity from people coming and going. He said this is upsetting to his elderly parents. He thanked them for the ordinance and for addressing this issue.
15. Barbara Benson said she can see, from her yard, four homes that have or are being converted into multi-room transient rentals. She supports Ordinance No. 6128. She

thanked Councilmembers and Mr. Miyake for their interest and for touring the area and meeting with residents. Ms. Benson thanked Mike Brennan, Carol Helland, and others who are working toward equitable permanent codes. She said these businesses do not belong in single-family neighborhoods.

16. Stephanie Walter expressed support for the ordinance and the comments by others who support the ordinance. She said it will protect the livability of single-family neighborhoods throughout Bellevue and prevent homes from becoming for-profit inventory for investors. She said these are sophisticated investors who are taking advantage of people who can least afford it. Ms. Walter said Bellevue College needs to work hard and fast on creating housing solutions. She asked the Council to keep her neighborhood a good place for her family and grandchildren.
17. Chris Benis, legal counsel for the Rental Housing Association of Washington, expressed concern that there are negative sentiments toward renters. He said renters are not equivalent to transients. He believes the City needs to enforce codes but he does not want the City to discourage rental housing. He asked the Council and City staff to consider involving his association in reaching a solution.
18. Sean Martin, Director of External Affairs for the Rental Housing Association, said their organization would like to be part of the process in addressing this issue. He suggested that the City create a stakeholders group.
19. Nanette Fricke said she strongly supports Ordinance No. 6128. She said the ordinance is not against students or against renters, but it is a response to concerns about multi-room rental businesses in neighborhoods. She said she appreciates all of the time by City staff and the Council to address this issue.
20. Roger Smith said he lives in the shadow of a mega-house and there is another one planned across the street. He is not opposed to students. He questioned how Bellevue College became a four-year school without related housing needs being addressed. He questioned whether any impact studies were completed with regard to student housing. He strongly supports the emergency ordinance.
21. Steven Fricke said residents are not opposed to rental housing. The Spiritwood neighborhood has a number of long-term renters who are a part of their community. The issue is having a responsible landlord on site. He is interested in participating on a stakeholders group, as suggested by the Rental Housing Association. Mr. Fricke said boardinghouses are not appropriate in single-family neighborhoods. Residents are not anti-student but believe that Bellevue College should have planned for student housing and its impacts before becoming a four-year school. Mr. Fricke said businesses should not provide multi-room rental housing at the detriment of neighborhoods.

22. David Pater said he fully supports the emergency ordinance and his neighbors' comments. He said it is important for the City to focus on the effective implementation and enforcement of regulations. He referred to a house across the street which was described earlier by Joe Davies. He often sees eight cars at the property. The occupants of this type of housing are not necessarily students, and they are creating a multifamily use in single-family neighborhoods. Mr. Pater asked the City to work with Bellevue College to help solve student housing needs and neighborhood impacts.
23. Alex Zimmerman questioned how students can survive in college given the cost of living. He asked why the City did not impose limitations in 1995 when Microsoft arrived. He suggested that was stupid and that Microsoft should move to give a building to students.
- At 9:59 p.m., Councilmember Balducci moved to extend the meeting to 10:20 p.m. Councilmember Stokes seconded the motion.
- The motion to extend carried by a vote of 5-0, with Councilmember Wallace temporarily away from the dais.
24. Paula Revere said the schedules for every City Council in Western Washington are filled up so that no one is able to provide the venue for the evidence that she would like to present related to everything discussed at these meetings. She said the Patriot Act is used to listen to cell phones and the Police try to pick her up with a witness. She said the City is a little republic within the republic of King County and the republic of the State. Ms. Revere expressed concerns about medical fraud and said she has key witnesses within Bellevue about that and other major crimes against her family. She said she started coming to speak to the Council because she wanted to address specific locations and because she had help here. She said investigations do not yield what is needed because the perpetrators are manipulating the investigations. Ms. Revere asked the Council to reverse its earlier vote to suspend the rules for Oral Communications. She said the housing situation is related to the evidence she has, and Dr. Davidson was deliberately made ill related to her evidence.

Mr. Zimmerman attempted to speak again and was escorted from Council Chambers.

25. Ron Murk expressed support for Ordinance No. 6128 and the City's work. He believes there is a need for a clear definition of a single-family residence. He said he recently learned about a house that has been converted into eight rooms for rent. He said this is not appropriate in single-family neighborhoods. He questioned whether codes (e.g., electrical, plumbing) are being followed in converting these structures. He noted that he served on the 148th Avenue steering committee.

(4) Motion to Close Public Hearing

→ Councilmember Chelminiak moved to close the Public Hearing, and Councilmember Balducci seconded the motion.

→ The motion carried by a vote of 6-0.

(5) Council Discussion and Direction to Planning Commission

Ms. Helland requested Council direction to affirm the emergency ordinance and to forward it to the Planning Commission to consider permanent regulations. For the audience, she noted that the Planning Commission's work program includes other issues raised tonight relating to housing affordability and an initiative to plan for housing south of Bellevue College. She said City staff has been in contact with Bellevue College officials to alert them to the issues.

Ms. Helland acknowledged that the Council is eager for staff and the Planning Commission to complete the Shoreline Management Program (SMP) work. Staff does not expect the multi-room rentals topic to interfere with the completion of that work.

→ Councilmember Stokes moved to affirm that Emergency Ordinance No. 6128 should remain in effect for the allowed six-month period while permanent regulations are developed by the Planning Commission to address the rental housing issues, and to adopt the Planning Commission's Principles contained in Attachment B to guide its work on narrowly tailored permanent regulations. Councilmember Balducci seconded the motion.

Councilmember Balducci recapped what she heard from the public testimony. She observed that everyone raised important issues that should be addressed, and that the issues are not all mutually exclusive. She noted comments about the high cost of tuition and housing, preserving the family nature of single-family neighborhoods, transportation challenges, Bellevue College's responsibility to plan for student housing, the City's obligation to plan for housing and appropriate densities, and issues related to nuisance properties.

Ms. Balducci encouraged residents to call 911 to report suspected criminal activity. She concurred with the speaker who expressed concern that the practice of multi-room rentals is exploiting individuals in need of lower income housing. She said the current situation in the Spiritwood neighborhood is a glaring example of this business model, which chops up houses into multiple rental spaces. The streets were not designed to accommodate this type of density, and the houses are many times larger than the traditional homes in the area.

Ms. Balducci wants to have an open and inclusive process before the Planning Commission, and she welcomes technical assistance from the Rental Housing Association. She wants to continue to hear from residents and students as this process goes forward.

→ The motion carried by a vote of 6-0.

10. Land Use: None.

11. Other Ordinances, Resolutions and Motions: None.
12. Unfinished Business: None.
13. Continued Oral Communications
 - (a) Paul Bell, who testified earlier, said he understands that the City is not intentionally targeting students. However, he asked the City to remove references to students and Bellevue College from the ordinance.
 - (b) Bart Goft said he hopes the City does not get dragged into legal entanglements. These are not group homes which are protected by federal law.
14. New Business: None.
15. Executive Session: None.
16. Adjournment

At 10:20 p.m., Mayor Lee declared the meeting adjourned.

Myrna L. Basich, MMC
City Clerk

/kaw