

**CITY OF ISSAQUAH
City Council Regular Meeting**

7:00 PM
February 22, 2022

Virtual Meeting

MINUTES

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Alternate Meeting Format: On March 6, 2020 the Mayor declared a civil emergency due to the outbreak of novel coronavirus (COVID-19). On March 24, 2020 the Governor issued Proclamation 20-28 relating to the COVID-19 emergency and open public meetings. The proclamation has been extended. Due to these factors, the meeting was held using a remote meeting platform.

Councilmembers:

Barbara de Michele
Zach Hall
Victoria Hunt
Russell Joe
Tola Marts
Chris Reh
Lindsey Walsh

Administration/Staff:

Mary Lou Pauly, Mayor
Wally Bobkiewicz, City Administrator
Andrea Snyder, Deputy City Administrator
Rachel Bender Turpin, City Attorney
Tisha Gieser, City Clerk

CALL TO ORDER

Mayor Pauly called the meeting to order at 7:00 PM.

PLEDGE OF ALLEGIANCE

Mayor Pauly led the Pledge of Allegiance.

SPECIAL BUSINESS

a) ID 1053 - Recognition of Local Author: Donna Barba Higuera

Arts Commissioner Rachel Wright and Mayor Pauly introduced author Donna Barba Higuera and issued her a Certificate of Appreciation in recognition of her 2022 Newberry Award for "The Last Cuentista".

AUDIENCE COMMENTS

The following public comments were received:

- Ken Konigsmark, representing Our Savior Lutheran Church, spoke in support of adding the rezone request to the 2022 Comprehensive Plan Docket under AB 8317 and spoke regarding concerns regarding the 30 foot height limit in the potential new zone.
- Mike Bresko, Chair of the Issaquah Food & Clothing Bank (IFCB) Board, thanked the City for their support and shared the Food Bank's need for additional space.
- Connie Fletcher, 321 NW Dogwood Street, representing Our Savior Lutheran Church, requested support for the rezone of the Our Savior Lutheran Church to allow for relocation of the IFCB.
- Josh Friedmann, legal representative for Our Savior Lutheran Church, spoke in support of adding the rezone request to the 2022 Comprehensive Plan Docket under AB 8317.

- David Toyer, Toyer Strategic Advisors, spoke in support of adding the Wildwood property redesignation and rezone request to the 2022 Comprehensive Plan Docket under AB 8317.

Council President Walsh summarized email comments received on tonight's agenda items.

COMMITTEE / REGIONAL REPORTS

Councilmember Joe:

Cascade Water Alliance Board - Announced upcoming meeting.

Greater Issaquah Chamber of Commerce - Made report.

Lodging Tax Advisory Committee - Made report.

Councilmember de Michele:

Connect2 Community Advisory Group - Made report.

Regional Transit Committee - Made report.

Councilmember Hunt:

King Conservation District Advisory Committee - Made report. Announced upcoming meeting.

Councilmember Reh:

Eastside Fire & Rescue Board - Made report.

King County Growth Management Council - Announced upcoming meeting.

Councilmember Marts:

Puget Sound Regional Council Growth Management Policy Board - Announced upcoming meeting.

Sound Cities Association Public Issues Committee - Made report.

Council President Walsh:

Affordable Housing Committee - Made report.

Issaquah School District & City of Issaquah Leadership Meeting - Made report.

MAYOR'S REPORT

The Mayor reported on the following topics:

- Executive Session: There will not be an executive session this evening.
- Board and Commission Recruitment
- Hall of Fame Nominations Open Now
- Capital Finance Community Task Force
- Upcoming Community Events
- City Hall in-person services

CONSENT CALENDAR

Items listed were distributed to Councilmembers in advance for study and were enacted with one motion.

The City Clerk announced that the Clerk's Office has circulated a revised copy of the Feb. 1 Study Session Minutes, Consent Calendar item "b". Under the list of attendees, the correction was to strike Stacy Goodman and insert Russell Joe. The revised version was provided to the City Council in advance of the meeting. This is the version that will be adopted upon approval of the Consent Calendar.

IT WAS MOVED BY WALSH, SECONDED BY HALL; MOTION CARRIED (7-0), TO APPROVE THE CONSENT AGENDA WITH THE MINUTES AS CORRECTED.

- a) **ID 0969 - Accounts: Payables and Payroll of Feb. 22, 2022, \$ 3,828,000.55;** Approved.
- b) **Minutes: City Council Study Session, Feb. 1, 2022;** Approved.
- c) **Minutes: City Council Regular Meeting, Feb. 7, 2022;** Approved.
- d) **AB 8291 - Title 18 Land Use Code Ad Hoc Committee;** Postponed AB 8291 to the March 21, 2022 Council meeting.
- e) **AB 8314 - Redundant Water Feed to Squak Mountain;** Awarded the construction contract for the Redundant Water Feed to Squak Mountain (WT 006) project in the amount of \$810,611.25 (including sales tax).
- f) **AB 8322 - King County Metro Commute Trip Reduction Transition Support Agreement;** Authorized the Mayor to enter into and execute the Agreement with King County Metro for transition support for CTR program administration.
- g) **AB 8324 - Janitorial Services Contract;** Authorized the Mayor to enter into and execute the contract with Synergy Building Services for janitorial services at City facilities in the amount of \$152,525.68.
- h) **AB 8326 - 2021 ARCH Trust Fund Recommendations;** Approved Resolution No. 2022-03, authorizing the duly-appointed administering agency for ARCH to execute all documents necessary to enter into agreements for the funding of affordable housing projects, as recommended by the ARCH Executive Board, utilizing funds from the City's Housing Trust Fund.
- i) **AB 8327 - A Regional Coalition for Housing (ARCH) Interlocal Agreement Amendment;** Approved Resolution No. 2022-04, authorizing Amendment No. 1 to the amended and restated interlocal agreement for A Regional Coalition for Housing (ARCH) making changes to the Citizen Advisory Board.
- j) **AB 8329 - Planning Policy Commission Positions - Extended Terms;** Confirmed the Mayor's appointments of current Planning Policy Commissioners Jason Voiss, Matt Monahan, and Joy Lewis, with a one-year limited term expiring April 30, 2023, effective immediately.

REGULAR BUSINESS

- a) **AB 8311 - Recreation Scholarship Program**

Introduced by Mayor Pauly and presented by Parks & Community Services Director Jeff Watling. Following Council discussion,

IT WAS MOVED BY WALSH, SECONDED BY HALL, TO:

Approve Resolution No. 2022-05, replacing the current Recreation Scholarship Program and repealing Resolution No. 2014-13.

MOTION CARRIED, 7-0.

b) AB 8317 - 2022 Proposed Docket of Comprehensive Plan and Zoning Map Amendments

Introduced by Mayor Pauly and presented by Senior Planner Christen Leeson. Following Council discussion,

IT WAS MOVED BY DE MICHELE, SECONDED BY MARTS, TO:

Approve the 2022 Docket of Proposed Comprehensive Plan and Zoning Map Amendments as presented.

MOTION CARRIED, 7-0.

GOOD OF THE ORDER

Mayor Pauly:

Upcoming Council Meetings - Announced anticipated agenda items.

Councilmember Hunt:

Puget Sound Energy Letter re: Clean Energy Implementation Plan - Asked Councilmembers to let her know if interested in signing on to the letter which was emailed to the City Council.

Councilmember Marts:

SCA Public Issues Committee Follow-Up - PRSC Transportation Planning Board providing feedback on the Regional Transportation Plan. Asked whether Councilmembers had any feedback on the Plan. Councilmember de Michele asked whether the Newport Way project would be eligible for inclusion in the Plan.

Mayor Pauly:

King County Council District 3 Issues - Working on a draft list of issues; will be shared with the City Council by email.

EXECUTIVE SESSION – None.

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 8:32 PM.

Mary Lou Pauly, Mayor

Tisha Gieser, City Clerk



**Washington State Dept. of Commerce Housing Action Plan and Implementation (HAPI) Grant Proposed Council Action:
Accept Grant; Authorize Agreement**

DEPARTMENT OF OTHER COUNCIL MEETINGS COMP PLAN POLICY NOS. OTHER POLICIES EXHIBITS	Community Planning & Development Christen Leeson Oct 4, 2021 Housing policies A1-A3, A10, B3, C1-C3, C7, D5 n/a A. Grant Agreement
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SUMMARY STATEMENT

Introduction

This agenda bill seeks City Council authorization to submit an application for the Housing Action Plan and Implementation Grant (HAPI) in the amount of \$100,000 to implement part of the 2017 Housing Strategy Work Plan. The grant is issued through the Washington State Department of Commerce and does not require matching funds from the City.

This agenda bill requests City Council action to accept grants funds in the amount of \$100,000 from the Washington State Department of Commerce to implement portions of the Housing Strategy Work Plan and authorization to enter into the related grant agreement. See the Update section for the latest information.

Background

The intent of this grant program is to encourage planning for and construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes. Activities eligible for funding include the development of new Housing Action Plans and implementation of strategies in adopted Housing Action Plans.

Cities are especially encouraged to increase residential building capacity in areas that have supportive transportation and utility infrastructure, and are served with frequent transit service. Cities are also encouraged to prioritize the creation of affordable, inclusive neighborhoods and to consider the risk of residential displacement, particularly in neighborhoods with communities at high risk of displacement.

Proposal

The City Council adopted the Housing Strategy Work Plan in 2017. Since then, several of the strategies have been implemented such as work on the Trailhead Transit Oriented Development, updates to Accessory Dwelling Unit regulations and pricing, and a multifamily housing inventory. There are three outstanding actions directly related to the Title 18 for which the grant funding would be very timely.

The first is implementation of Strategy 6 which states, "Increase the developer-provided affordable housing in Central Issaquah." This work will include:

1. looking into increasing the inclusionary requirements in Central Issaquah, how many units this could this create, and unintended consequences; and
2. evaluating the potential for an inclusionary requirement outside Central Issaquah.

The second Strategy to be implemented to increase diversity of housing options is Strategy 7: "Mitigate/offset the deterrents to condominium construction". This work will include:

1. researching and evaluating if any local measures, including updating City Code, can facilitate the construction of new condominium projects.

The third Strategy to be implemented is Strategy 8: "Incorporate code provisions to increase the potential diversity of housing types built in the City." Implementation of this strategy includes:

1. researching regulatory and permit provisions used by other jurisdictions that allow smaller forms of housing; and
2. conducting an assessment of "missing middle" types of housing that would be suitable in Central Issaquah.

If the grant funds are awarded, they will be used to hire a consultant to implement the above strategies. City staff will work with A Regional Coalition for Housing (ARCH) staff to hire and manage consultant selection, scope of work and implementation.

Growth Management Act cities with populations over 20,000 are prioritized for grants of up to \$100,000. Issaquah is requesting \$100,000.

Next Steps

Grant applications are due October 7, 2021 and will be awarded October 28, 2021. Final deliverables are due June 15, 2023 and the grant period ends June 30, 2023.

If the grant is awarded, this agenda bill will be returned to City Council for grant acceptance.

Financial Information

Funding for implementation of these Strategies was not included in the 2021 budget and is not included in the 2022 proposed budget. Award of this grant would fully fund implementation.

If the grant is awarded, the City Council will be requested to direct the Chief Financial Officer to include the grant revenue and related expenditures in a subsequent 2022 budget amendment, if needed.

Administration's Recommendation

~~The Administration recommends authorizing submittal of an application for the Housing Action Plan and Implementation Grant.~~

The Administration recommends acceptance of grant funds and authorization of the grant agreement with the Washington State Department of Commerce for implementation of portions of the Housing Strategy Work Plan.

Update

The City Council approved submittal of the HAPI grant on October 4, 2021 and Issaquah was notified of the grant award of \$100,000 on October 28, 2021. The award amount was the same amount as requested.

The funds will be used to implement portions of the Housing Strategy Work Plan. Work must be completed and funds used by June, 2023. The Interagency Agreement with Washington State Department of Commerce is attached as Exhibit A.

Alternative(s)

~~Do not authorize submittal of the HAPI grant. (Work on the strategies will be postponed until staff and funding resources are available.)~~

Do not authorize the agreement. (Impact: Portions of the Housing Strategy Work Plan will not be implemented at this time.)

RECOMMENDATION

Administration / Community Planning & Development:

MOVE TO:

~~Authorize submittal of an application for the Washington State Dept. of Commerce Housing Action Plan and Implementation grant.~~

MOVE TO: Authorize acceptance of grant funds in the amount of \$100,000 and execution of the grant agreement with the Washington State Department of Commerce for implementation of portions of the Housing Strategy Work Plan; and direct the Chief Financial Officer to include the grant revenue and related expenditures in a subsequent 2022 budget amendment, if needed.



Interagency Agreement with

City of Issaquah

through

Growth Management Services

For

Housing Action Plan Implementation (HAPI) Grant
to Implement an Existing Housing Action Plan

Start date:

Date of Execution

TABLE OF CONTENTS

Special Terms and Conditions

- 1. Authority.....1
- 2. Contract Management 1
- 3. Compensation 1
- 4. Billing Procedures and Payment..... 1
- 5. Insurance.....1
- 6. Subcontractor Data Collection2
- 7. Order of Precedence.....2

General Terms and Conditions

- 1. Definitions 3
- 2. All Writings Contained Herein..... 3
- 3. Amendments..... 3
- 4. Assignment 3
- 5. Confidentiality and Safeguarding of Information..... 3
- 6. Copyright..... 4
- 7. Disputes 4
- 8. Governing Law and Venue 4
- 9. Indemnification..... 5
- 10. Licensing, Accreditation and Registration 5
- 11. Recapture 5
- 12. Records Maintenance 5
- 13. Savings 5
- 14. Severability 5
- 15. Subcontracting 5
- 16. Survival 6
- 17. Termination for Cause 6
- 18. Termination for Convenience..... 6
- 19. Termination Procedures 6
- 20. Treatment of Assets..... 7
- 21. Waiver..... 7

Attachment A, Scope of Work
Attachment B, Budget

FACE SHEET

Contract Number: 22-63314-013

**Washington State Department of Commerce
Local Government Division
Growth Management Services
Housing Action Plan Implementation (HAPI) Grant**

1. Contractor City of Issaquah 130 E Sunset Way PO Box 1307 Issaquah, WA 98027-1307		2. Contractor Doing Business As (optional) N/A	
3. Contractor Representative Christen Leeson Senior Planner 425.837.3096 christenl@issaquahwa.gov		4. COMMERCE Representative Kirsten Larsen Senior Planner 360.280.0320 Kirsten.larsen@commerce.wa.gov PO Box 42525 1011 Plum Street SE Olympia, Washington 98504-2525	
5. Contract Amount \$100,000	6. Funding Source Federal: <input type="checkbox"/> State: <input checked="" type="checkbox"/> Other: <input type="checkbox"/> N/A: <input type="checkbox"/>	7. Start Date Date of Execution	8. End Date June 30, 2023
9. Federal Funds (as applicable) NA	Federal Agency: NA	CFDA Number NA	
10. Tax ID # NA	11. SWV # SWV000310-00	12. UBI # 179-000-314	13. DUNS # NA
14. Contract Purpose Implementation of RCW 36.70A.600 grant funding to address housing affordability through implementation of selected strategies from the city’s adopted Housing Strategies Work Plan (a housing action plan equivalent document).			
15. Signing Statement COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents hereby incorporated by reference: Attachment “A” – Scope of Work and Attachment “B” – Budget.			
FOR CONTRACTOR _____ Mary Lou Pauly, Mayor City of Issaquah _____ Date		FOR COMMERCE _____ Mark K. Barkley, Assistant Director Local Government Division _____ Date APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL 08/22/2019. APPROVAL ON FILE.	

**SPECIAL TERMS AND CONDITIONS
INTERAGENCY AGREEMENT
STATE FUNDS**

1. AUTHORITY

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by Chapter 39.34 RCW.

2. CONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

3. COMPENSATION

COMMERCE shall pay an amount not to exceed one hundred thousand dollars (\$100,000) for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the performance-based Scope of Work (Attachment A) and Budget (Attachment B).

4. BILLING PROCEDURES AND PAYMENT

COMMERCE will pay Contractor upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than quarterly.

The parties agree this is a performance-based contract intended to produce the deliverables identified in Scope of Work (Attachment A). Payment of any invoice shall be dependent upon COMMERCE'S acceptance of Contractor's performance and/or deliverable. The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Contract Number 22-63314-013.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

The grantees must invoice for all expenses by June 17, 2023.

COMMERCE will pay Contractor for costs incurred prior to the start date of this Agreement, if such costs would have been allowable on or after July 1, 2021, the start date of the 2021-2023 biennium. To be allowable, such costs must be limited to the completion of tasks and deliverables outlined in the Scope of Work (Attachment A).

Duplication of Billed Costs

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

5. INSURANCE

Each party certifies that it is self-insured under the State's or local government self-insurance liability program, and shall be responsible for losses for which it is found liable.