



## MEMORANDUM

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**Phone:** 425-452-6452

**Date:** March 25, 2008

**To:** Jennifer Robertson, Chair  
Planning Commission

**From:** Michael Yantis, Chair  
Human Services Commission

**Subject:** Bel-Red Housing Draft Subarea Plan and Affordable Housing Strategies

The Human Services Commission sincerely appreciates the two courtesy briefings received from Planning and Community Development staff on Bellevue's Workforce/Affordable Housing Work Program, on December 4, 2007, and most recently on March 4, 2008. They were very informative about the Planning Commission's initial discussions on housing affordability strategies for the Bel-Red redevelopment.

Since one of the Human Services Commission's roles is to "...provide recommendations to the City Council on emerging issues and concerns in the area of human services..." (Ordinance No. 3729), the Commission feels compelled to speak for the low and moderate income residents of Bellevue to ensure that their needs are being considered in the development of the Bel-Red housing strategies.

The Commission was pleased to note in the Bel-Red Principles on Workforce/Affordable Housing that the vision of the Bel-Red Steering Committee "is that the area will contain a variety of housing types to meet the needs of a diverse population of varied income levels." Further, the principles note the challenges faced by Bellevue to maintain housing options for low and moderate income workers and households on fixed incomes and "while no one area of the city will solve Bellevue's affordable housing challenges, Bel-Red provides an opportunity to contribute to City-wide solutions."

Affordable housing is defined as housing which costs residents no more than 30% of their household income. According to 2000 Census data, 39% of renters and 25% of homeowners in Bellevue paid more than 30% of their income for housing, and 26.9% of Bellevue residents live in poverty (defined as an income under \$17,500 for a family of four.) Also, since 1995, the lack of affordable housing has been rated as the top major or moderate problem in the community by Bellevue residents, according to phone surveys conducted every two years by the Human Services Division as part of its data collection for its biennial Needs Update. In 2007, 69% of respondents rated the lack of affordable housing as a major or moderate community problem, compared to 60% in 2005. In addition, in over half of the Community Conversations conducted in 2007 for the Needs Update, the overarching theme for human services needs was lack of affordable housing. A wide variety of population and age groups described their challenges finding housing they could afford.<sup>1</sup>

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<sup>1</sup> City of Bellevue. (2008). 2007-2008 Human Services Needs Update.

The Human Services Commission's specific comments on the draft policies related to housing in Bel-Red are as follows:

*S-BR-F2* Promote owner and rental affordability in Bel-Red's new housing stock, with a target that a minimum of [15 to 20%] of new units be affordable to low and moderate income households, and another [15 to 40%] be affordable as "workforce housing," for households earning up to 120% of median income. These targets will be addressed through a combination of development regulations and incentives, public investments, and other public and private strategies, such as employer-assisted housing.

### Comments

- Include Targets for Very Low and Low Income Households: While we acknowledge the challenges in developing affordable housing and the need to balance priorities, the redevelopment of Bel-Red provides a significant opportunity for the City of Bellevue to address the critical need for affordable housing for its very low income (30% of median), low (50% of median) and moderate income residents (80% of median). For reference, Attachment 1- 2008 HUD Income Guidelines, indicates that the median income is \$81,400 and 120% of median for a family of four is \$97,680. Based on these guidelines, a low-income family of four at 30% of median income can only afford to pay \$610 per month ( $\$24,400 / 12 * 30\%$ ) while the average rent for a 2-bedroom apartment in Bellevue is \$1,086.<sup>2</sup>

The Human Services Commission notes that the targets under consideration appear to be directed at moderate income households and higher, rather than to very low or low income households. Since the 2000 Census indicated that 39% of Bellevue households had incomes below \$50,000, and nearly one quarter of households had incomes under \$35,000, we encourage consideration of percentage targets which truly address the development of new housing units affordable to those households at 30% - 80% of median income. In addition, while we recognize that the composition of the workforce envisioned for Bel-Red in the future may be different from the light industrial workforce in the corridor now, any housing development should accommodate a diversity of incomes, regardless of the type of industry. We are also concerned that the housing developed be appropriate for both low-income and moderate income families as well as individuals.

*S-BR-F3* Monitor the production and affordability of new housing in Bel-Red and make adjustments to implementation strategies, including development regulations and incentives, as needed to meet the identified targets. A review of housing affordability strategies should occur three to five years after the 2008 adoption of the Subarea Plan.

### Comments

- Consider Stronger Incentives: As you are aware, Downtown Bellevue has seen an increase of 3,000 new housing units in the last 10 years with more than 3,000 units now under construction or in the pipeline. According to ARCH surveys, between 1996 and 2002, more than 90 units per year of downtown market rental units met 80% affordability levels. However, since 2002 new downtown market rentals at 80% affordability have been nearly non-existent. The city's affordable housing incentives have rarely been used since adoption in 1996.<sup>3</sup> The Human

<sup>2</sup> Dupre + Scott Apartment Vacancy Report. (2007).

<sup>3</sup> City of Bellevue. (2007 July). GMPC Housing Survey.

Services Commission is disappointed that voluntary incentives have not resulted in any affordable housing development in Downtown Bellevue and have had minimal success in other areas of the City. The Commission is hopeful either stronger incentives or mandatory requirements for affordable housing development in Bel-Red will have better results.

- Assess Strategies Every Three Years: Given the critical need for affordable housing in Bellevue and the lack of significant progress in the last several years, we encourage that the housing strategies be reviewed on a more frequent basis. This will allow for adjustments to address changes in demand, demographics, or economic conditions.

*S-BR-F4* Integrate the strategy for promoting housing affordability in the Bel-Red area with the City-wide approach of which Bel-Red is a part.

### Comments

- The Human Services Commission supports this policy and does not believe that affordable housing development for very low, low, and moderate income residents should be limited to the Bel-Red area, but integrated throughout the City.

Thank you for your consideration of the Human Services Commission's input. We acknowledge the difficult choices before the Planning Commission as the Bel-Red implementation process continues and we look forward to our continued involvement.

cc: Planning Commission  
Bellevue City Council  
Human Services Commission  
Lise Northey, Acting Chair, Transportation Commission  
Roxanne Shepherd, Chair, Arts Commission  
John Rogers, Chair, Environmental Services Commission  
Merle Keeney, Chair, Parks & Community Services Board  
Dan Stroh, Planning and Community Development  
Paul Inghram, Planning and Community Development  
Janet Lewine, Planning and Community Development  
Jeanie Christenson, Planning and Community Development  
Mary Pat Byrne, Planning and Community Development  
Terry Smith, Parks & Community Services  
Nancy Harvey, Parks & Community Services  
Dave Cieri, Transportation  
Nav Ota, Utilities

**ATTACHMENT 1**

<b>2008 HUD INCOME GUIDELINES</b> <b>Median Family Income = \$81,400</b> Effective February 13, 2008			
<b>FAMILY SIZE</b>	<b>30% MEDIAN VERY LOW-INCOME</b>	<b>50% MEDIAN LOW-INCOME</b>	<b>80% MEDIAN MODERATE-INCOME</b>
1	\$17,100	\$28,500	\$43,050
2	\$19,500	\$32,550	\$49,200
3	\$21,950	\$36,650	\$55,350
4	\$24,400	\$40,700	\$61,500
5	\$26,350	\$43,950	\$66,400
6	\$28,300	\$47,200	\$71,350
7	\$30,250	\$50,450	\$76,250
8	\$32,200	\$53,700	\$81,200

**120% of Median for a family of four is \$97,680**