



Affordable Housing: *Planning Today for Tomorrow*

**Neighborhood Forum
September 23, 2021**



Agenda

- Welcome
- Affordable Housing in Bellevue
- Your Priorities
- Major Affordable Housing Initiatives
- Questions and Answers
- How to stay engaged



August Wilson Place (LIHI), 57 low-income units



Bellevue City Council





Welcome

**Mayor Lynne
Robinson**





Menti-Meter: Where do you live?





Affordable Housing in Bellevue

Mac Cummins

**Director
Community
Development**



Cerasa, MFTE - 31 affordable units

Why does affordable housing matter?

- City Where You Want to Be
- Caring Community
- Livable, Inspiring, Vibrant and Equitable Community



Balance Job Growth and Housing

Growth Targets for 2019-2044 Planning Period:

- Jobs: plan for an additional 70,000 new jobs
- Housing: plan for an additional 35,000 new housing units





Current Housing Costs



For Sale

- Single Family Home \$1.1M
- Condo \$628K

For Rent

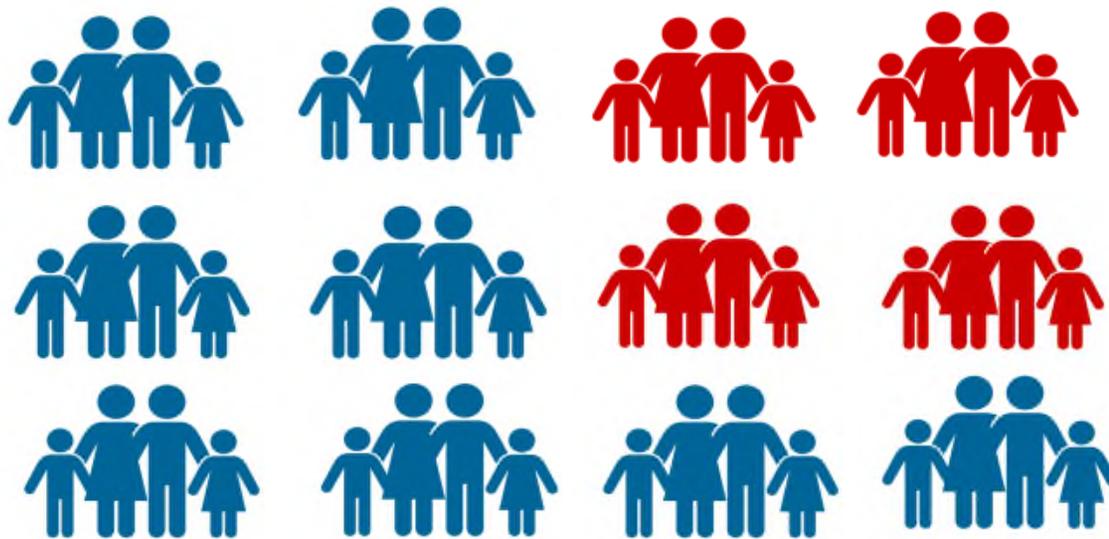
- 3/4-Bedroom Single Family Home \$3,095-\$3,700/mo.
- 2-Bedroom Apartment \$2,550/mo.
- 1-Bedroom Apartment \$2,250/mo.
- Studio Apartment \$1,985/mo.



Determining Affordability

Based in part on what you spend on housing

- Rule of thumb – no more than 30% of income spent on housing



30% of households in Bellevue spend more than 30% of their income on housing

That is considered **cost burdened**

Determining Affordability

Also based on Annual Income

- Use Area Median Income (AMI) as base
- AMI – The midpoint of a region's income distribution



AMI for one-person household
\$80,990



AMI for four-person household
\$115,700



Ranges of Affordability

- 51% - 80% of AMI is considered **low-income**
- 31% - 50% of AMI is considered **very low-income**
- 30% or less of AMI is **extremely low-income**

| Household Size | 30% AMI | 50% AMI | 80% AMI |
|--|----------|----------|----------|
|  1 Person | \$24,300 | \$40,500 | \$64,800 |
|  2 Person | \$27,780 | \$46,300 | \$74,080 |
|  4 Person | \$34,710 | \$57,850 | \$92,560 |

Who Are We Talking About?

80% AMI

**Single Mom & Child
Special Ed Teacher**

\$73,370

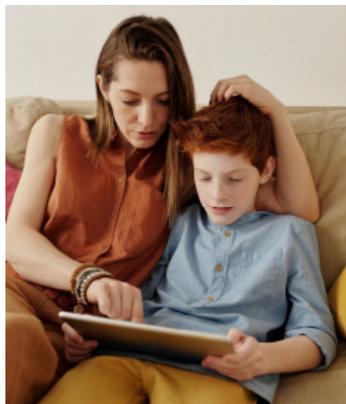


Photo by [Julia M Cameron](#) from [Pexels](#)

30% AMI

**2 Person Household
Woman living with retired
parent
Home Health Aide**

\$33,770



Photo by [Dario Valenzuela](#) on [Unsplash](#)

50% AMI

**Single Professional
Hotel Concierge**

\$39,990



Photo by Flamingo Images from [NounProject.com](#)

80% AMI

**Family of four
1 Parent works at Day Care
1 Parent is Social Worker**

**Combined Income
\$94,000**



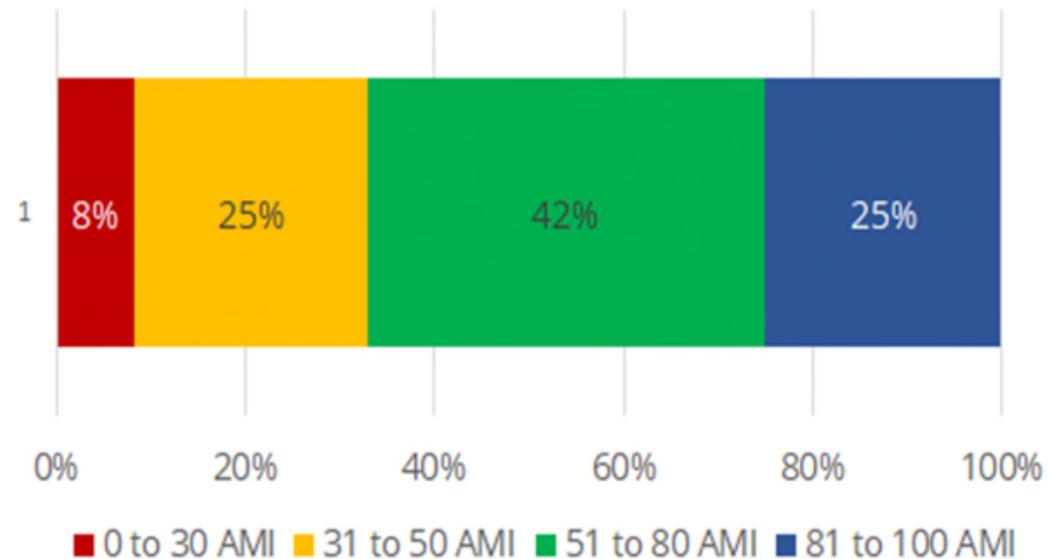
Photo by [National Cancer Institute](#) on [Unsplash](#)

What is Available?

Bellevue has 2,418 regulated affordable housing units

- **19%** of households in Bellevue fall into the very low-and extremely low-income level (below 50% AMI)
- Only **9%** of housing in Bellevue is affordable at that level

Percent of Affordable Housing by Income Limit





Affordable Housing Strategy

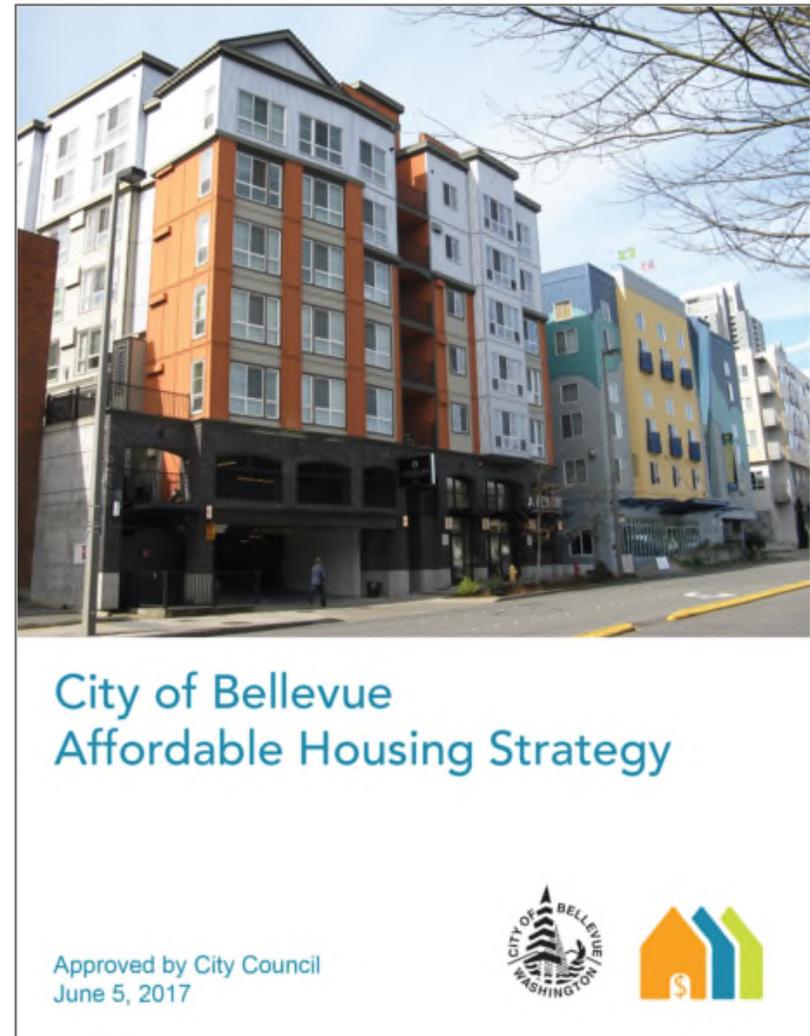
Council Adopted 2017

Goal

Create 2,500 more affordable homes within 10 years; 1,349 created so far, more than half of target.

5 Strategies

1. Help people stay in affordable housing
2. Create a variety of housing choices
3. Create more affordable housing
4. Unlock housing supply by making it easier to build
5. Prioritize state, county, and local funding for affordable housing





Partnership with ARCH

ARCH brings neighboring jurisdictions on the eastside together to preserve and increase the supply of affordable housing through a coordinated approach.

Assist people looking for affordable rental and ownership housing.

www.archhousing.org





Partners We Work With

Bellevue partners with many organizations to deliver affordable housing solutions. Agencies and non-profits the city has collaborated with previously include:

- A Regional Coalition for Housing (ARCH)
- King County Housing Authority (KCHA)
- Sound Transit
- YWCA
- Imagine Housing
- Plymouth Housing
- Horizon Housing Foundation
- Inland Residential
- Community Homes
- Major employers: Microsoft, Amazon
- Bellevue Downtown Association



Menti-Meter: Your Priorities





Major Affordable Housing Initiatives and Partnerships

Emil King, Assistant
Director Community
Development

Thara Johnson, Planning
Manager, Community
Development



Cerasa, MFTE - 31 affordable units



Strategies and actions advanced in 2020-2021

❑ C1-Strategy

- Incentive for public, non-profit housing, and faith-owned properties to build affordable housing.

❑ HB 1590

- One tenth of 1% sales tax authorized by state legislature and enacted by Bellevue City Council. Effective January 1, 2021.

❑ Multifamily Tax Exemption (MFTE) Program Update

- 12-year property tax exemption to provide affordable housing in market-rate multifamily projects.

❑ Capital Investment Partnerships

- City capital investment for affordable housing through partnerships.



C1 Strategy – Create More Housing

Make it easier to build on public, faith-based and nonprofit owned land

State House Bill 1377

- Directs cities to provide a density bonus for affordable housing on faith-owned properties.
- Cities can establish the amount of density bonus consistent with local needs.



C1 Strategy: Policy Changes

- December 2020 – Council approved amendment to Comprehensive Plan
- New policy calls for increasing development potential on suitable land owned by public, non-profit housing & faith organizations for affordable housing projects
- Density bonus reduces per-unit cost of land
- Streamlines the overall development process
- Affordability requirements remain even if ownership of property changes



C1 Strategy: Code Changes

- 50% more units per acre above current zoning
- Flexibility in other standards to accommodate additional units at a neighborhood compatible scale
- Duplexes and triplexes permitted in single family areas
- Additional height permitted in multifamily areas
- No additional review beyond what is currently required for the underlying zone
- Status: Council review and action



House Bill 1590

- WA Legislature allows cities to use portion of local sales tax to raise funds for affordable housing and services
- City Council authorized use of the option in fall of 2020
- Tax went into effect on January 1, 2021
- Funds will be used for affordable housing, housing-related services, and behavioral health services
- Projected to raise \$9 million per year

Strategy E

Prioritize State, County, and Local Funding for Affordable Housing

HB 1590: How Funding Can Be Used

- Fund affordable housing development
- Purchase land for housing
- Provide operating funds to providers
- Provide housing-related services funding

No more than 40% may be spent on providing or evaluating behavioral health programs or housing services



Eastgate Housing Campus, Direct Subsidy
300 affordable apartments, 100 bed
men's shelter

HB 1590 Human Services

- Aug 2021 Council awarded \$1.66 million in 2021 funding to 19 agencies
 - \$810,000 for rental assistance
 - \$696,000 for behavioral health services
 - \$152,000 for supportive services





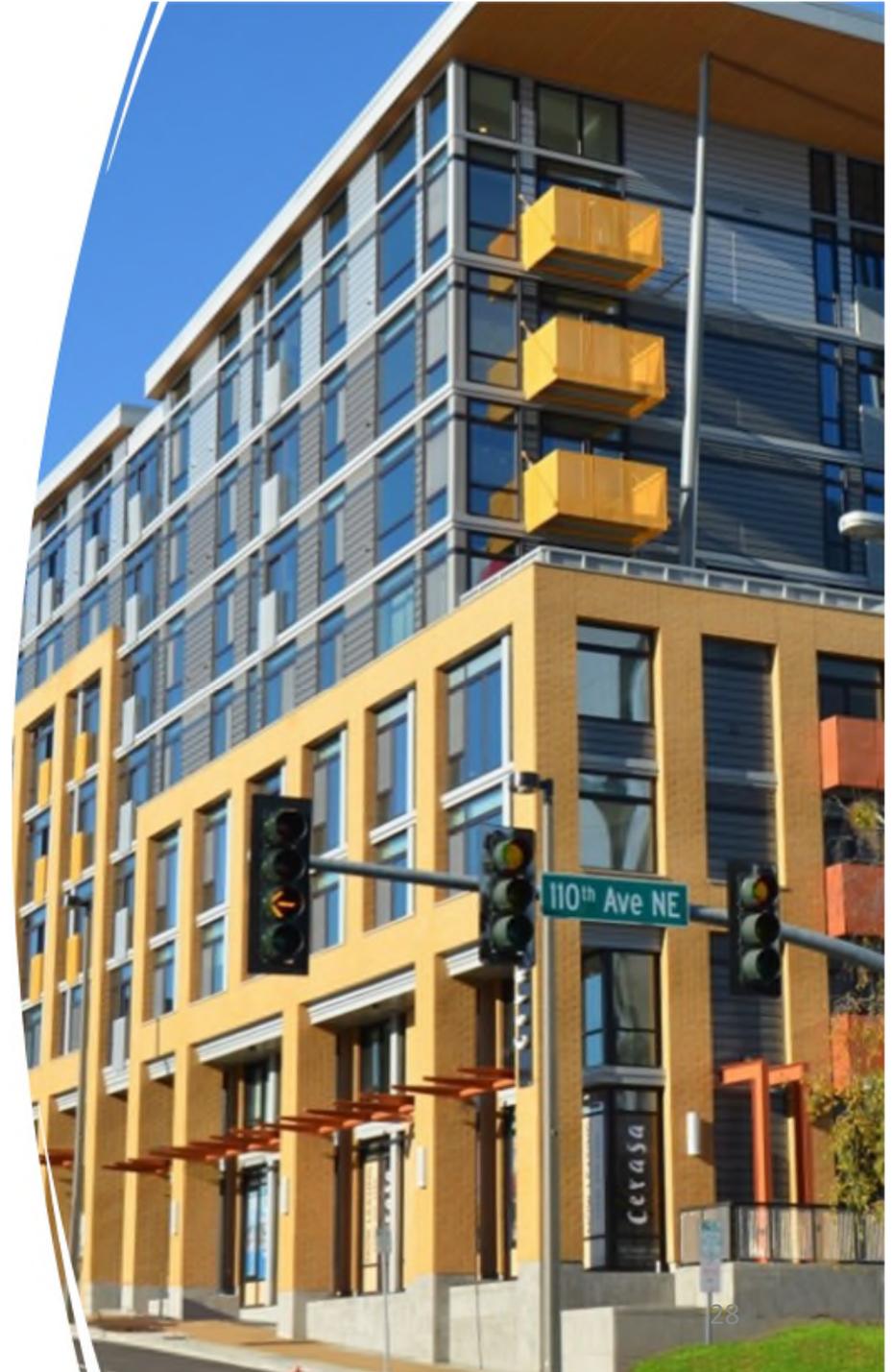
HB 1590 Capital Funding

- July 2021 Council makes \$6.0 million available to acquire or construct affordable housing
 - Construction or acquiring affordable housing
 - Funds will go to housing developers and providers
 - Applications due September 30
 - Funds will be distributed first quarter of 2022



Multifamily Tax Exemption (MFTE)

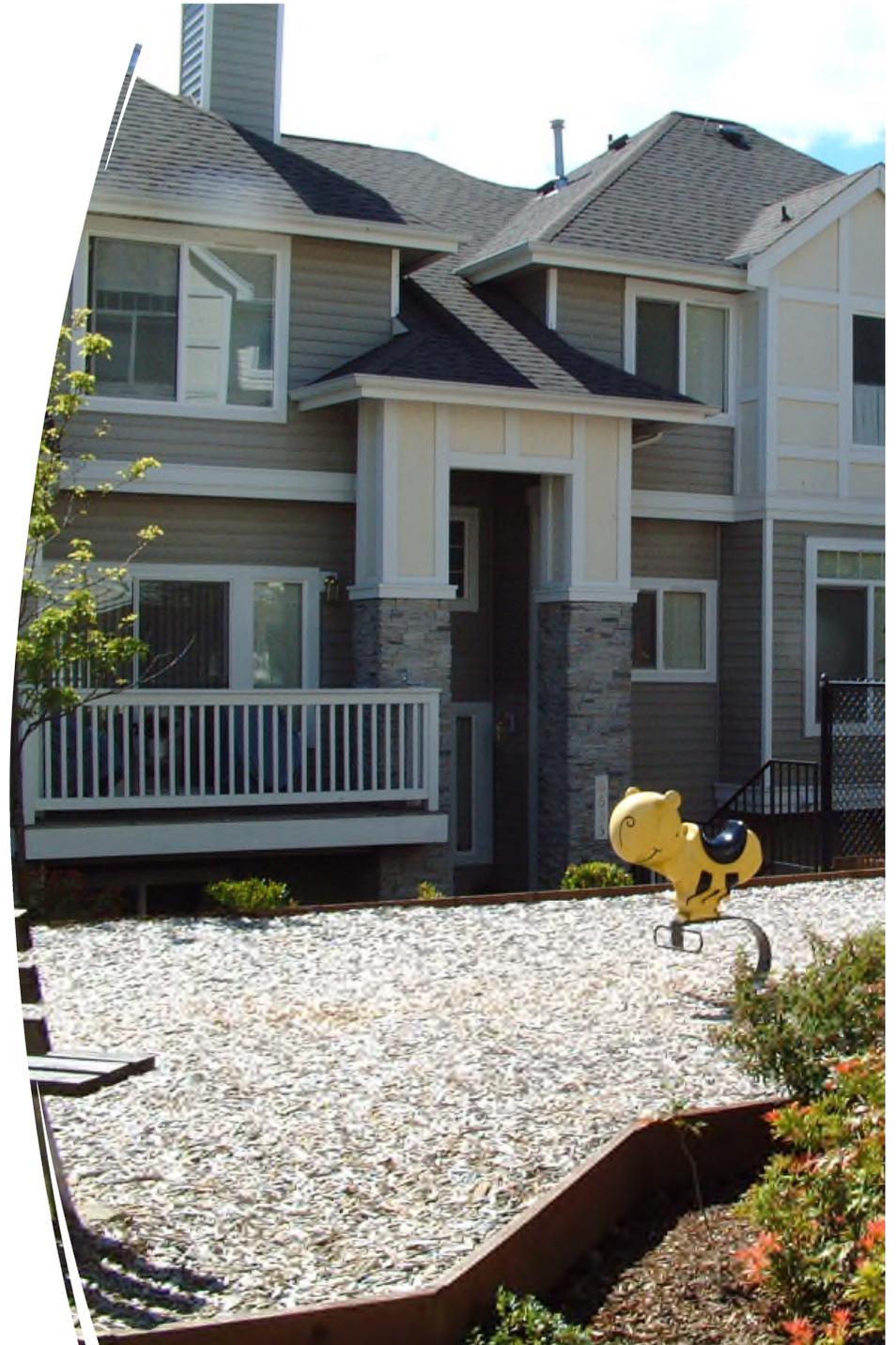
- 12-year property tax exemption to incentivize affordable housing in mixed-income buildings
- Requires 20% of all units in a project to be affordable for 12 years
- Allowed by state law for cities to enact locally





MFTE Program Updates

- Updates intended to significantly raise usage
- Expands eligible properties to citywide
- Simplifies program to focus on 80% AMI units
- Alternate pathways for providing family-sized units
- Rent stabilization and parking discount





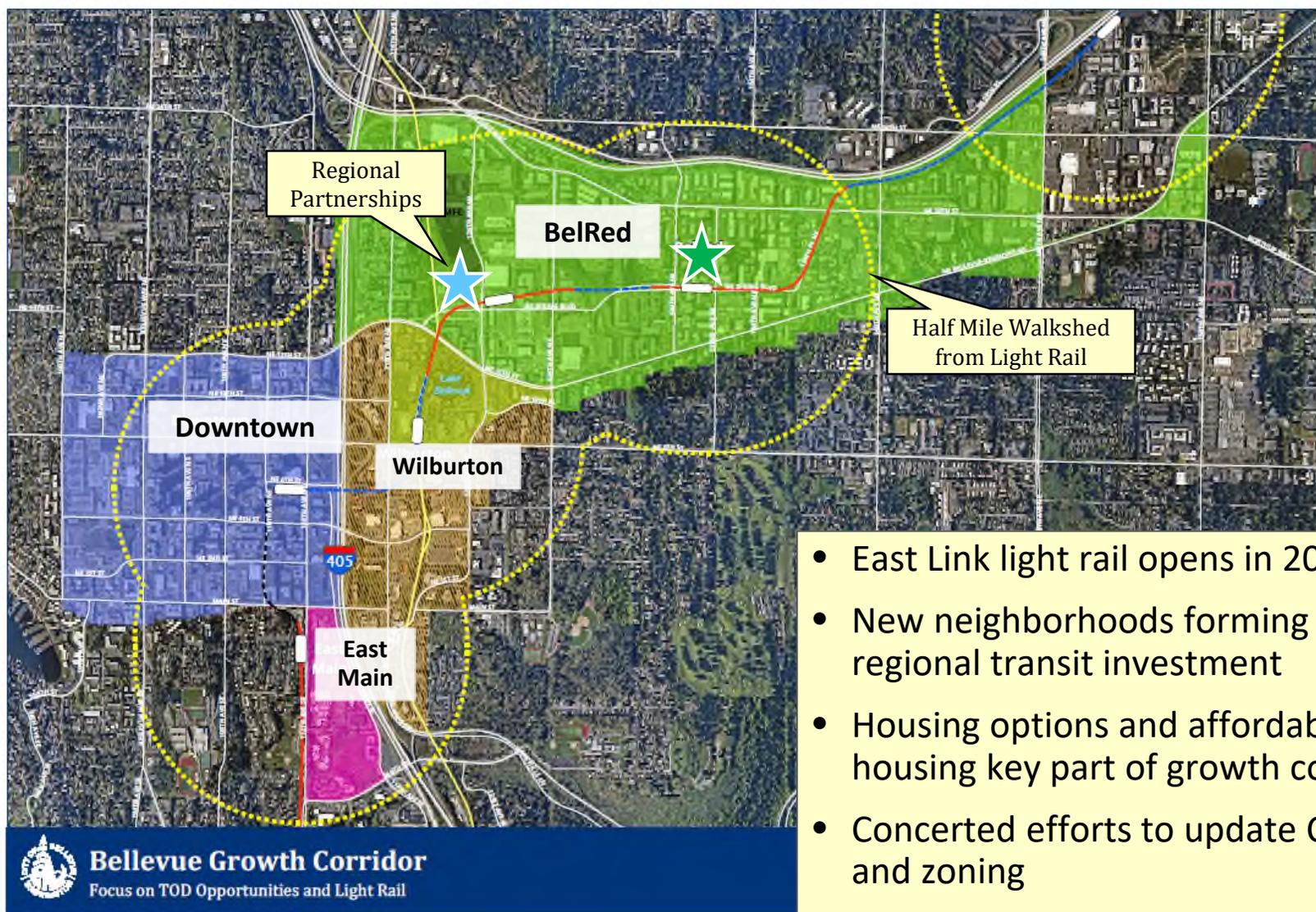
How It's Working Now

- 2 MFTE projects currently open – 63 affordable units
- 2 approved MFTE projects under construction – 102 affordable units
- 9 upcoming projects plan to use new provisions – over 400 affordable units
- Significant developer outreach to increase usage





Planning Around Light Rail Stations



- East Link light rail opens in 2023
- New neighborhoods forming around regional transit investment
- Housing options and affordable housing key part of growth corridor
- Concerted efforts to update City plans and zoning



Eastside Men's Shelter

City Capital Investment Partnership

- 100-bed year-round shelter for homeless men
- Years of work by Congregations for the Homeless to site and develop permanent shelter
- Partnership of Congregations for the Homeless, State, County, ARCH, and City
- City recently contributed additional \$3.6 million to help fill \$5.7 million funding gap to ensure completion





Plymouth Supportive Housing

City Capital Investment Partnership

- 92 units of supportive housing
- Provides on-site services for residents
- Preference for homeless individuals referred from Eastside shelters
- Partnership of Plymouth Housing, State, County, ARCH, and City
- City recently contributed \$400,000 to help fill \$3.1 million funding gap

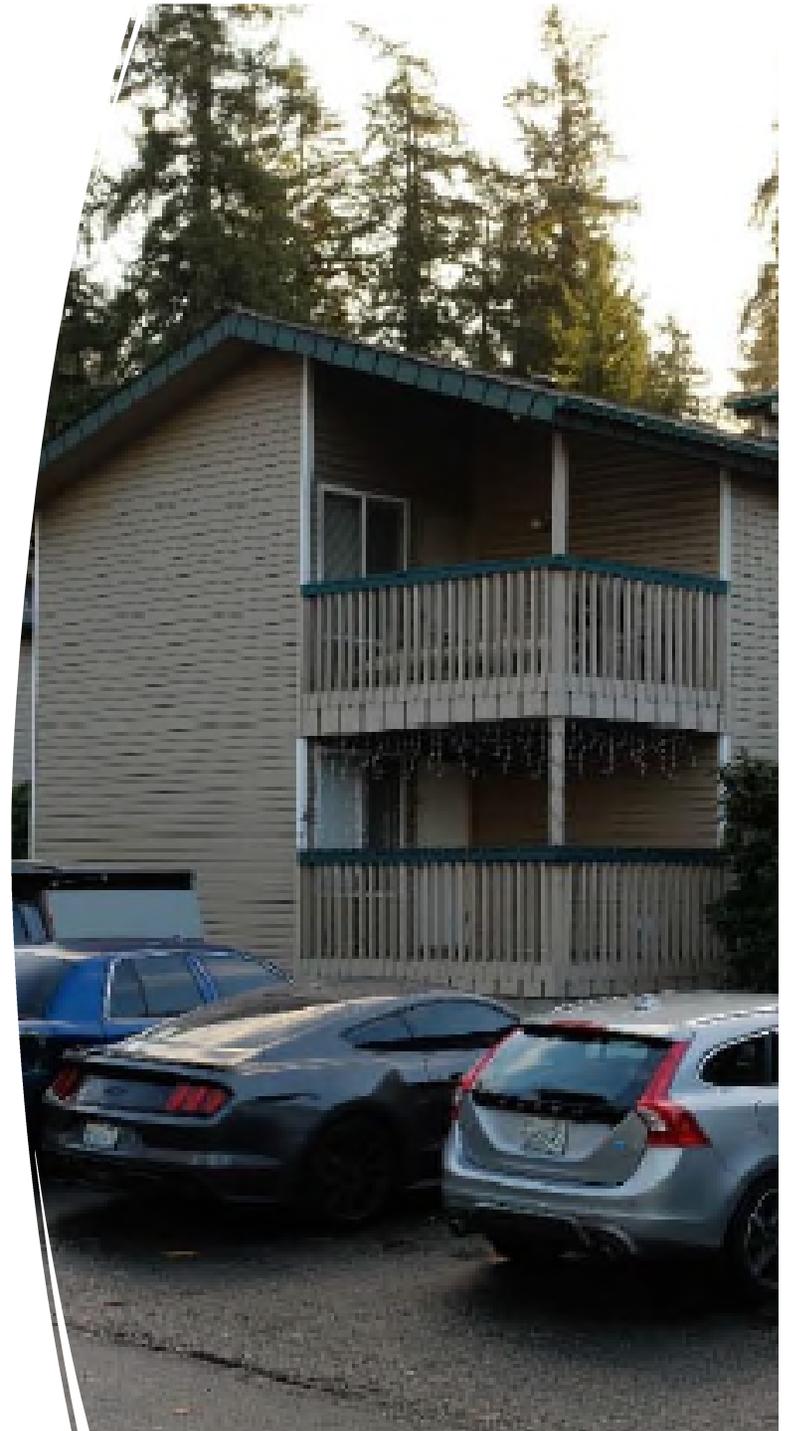




Illahee Apartment Preservation

City Capital Investment Partnership

- 36-unit apartment building in BelRed Subarea
- Partnership of King County Housing Authority, Amazon and the City to preserve existing units for affordable housing
- City contribution of \$4.0 million
- Available vacant units prioritized for homeless families in Bellevue School District





Upcoming Opportunities to Participate

October 11

Staff's progress report to City Council on the Affordable Housing Strategy Implementation (*Public Comment; Virtual*)

2022-2024

City of Bellevue Comprehensive Plan Update which will likely include range of housing topics (*Multiple Opportunities to Participate*)





Q&A



Neighborhood Forum Affordable Housing

For more information:

<https://bellevuewa.gov/city-government/departments/community-development/housing>