CHAPTER 7 Housing

7.1 Introduction

This chapter summarizes the affected environment—including the current housing policy framework and current housing stock conditions—and compares the impacts of the alternatives.

The analysis focuses on housing growth and implications under each alternative regarding supply, diversity and affordability, displacement risk, and access to transit. See Chapter 4, *Plans and Policies*, for an analysis of compatibility with land use plans and policies and Chapter 6, *Aesthetics*, for an analysis of neighborhood character, physical form (height, bulk, and scale), viewsheds, shadows, and light and glare.

7.2 Affected Environment

This section addresses existing housing in the City of Bellevue and provides a baseline for analyzing the impacts on housing of the four alternative growth scenarios. The review is conducted on a citywide scale and for several smaller geographies within the city—including Mixed Use Centers, Neighborhood Centers, transit-proximate areas, and the Wilburton study area.

The analysis relies on geospatial information provided by the City of Bellevue, such as assessor tax parcel information, U.S. Census Bureau data, Consolidated Housing Affordability Strategy (CHAS) data from the U.S. Department of Housing and Urban Development (HUD), and the Puget Sound Regional Council (PSRC) displacement risk analysis.

7.2.1 Current Policy and Regulatory Framework

Current policy and the regulatory framework regulating housing in the City of Bellevue flows from the State of Washington Growth Management Act (GMA), the PSRC's Multi-County Planning Policies (MPPs), King County's Countywide Panning Policies (CPPs), the city's current Comprehensive Plan, the Affordable Housing Strategy, and implementation actions including development standards in the Land Use Code (LUC). Several other regulatory measures affect housing development including localized overlay districts and community agreements.

This section describes policies specific to housing such the City of Bellevue's 2017 Affordable Housing Strategy, as well as the future land use and zoning framework relevant for housing and current housing conditions. State, regional, and local land use policies are reviewed and evaluated in Chapter 4, *Plans and Policies*.

KING COUNTY COUNTYWIDE PLANNING POLICIES

House Bill 1220

In 2021, the state legislature amended portions of the GMA (Engrossed Second Substitute House Bill, or House Bill [HB], 1220) that changed the minimum housing planning requirements for cities and counties subject to the Act. The requirements of HB 1220 have now been codified in the GMA. These new amendments mandate jurisdictions that plan under the GMA now must "*plan for and accommodate housing affordable to all economic segments of the population*." Previous language only required jurisdictions to "*encourage the availability of affordable housing to all economic segments of the population*."

To implement these changes, as required by the GMA, jurisdictions must conduct a suite of new analyses and show evidence of new accommodations in their comprehensive plans. According to bill analysis from the Municipal Research and Services Center of Washington, HB 1220 requires that jurisdictions take the following actions:

- Include a statement of goals, policies, objectives, and mandatory provisions for moderate density housing options (e.g., duplexes, triplexes, and townhomes) within urban growth areas (UGAs).

- Identify sufficient land capacity for housing, including housing for moderate-, low-, very low-, and extremely low-income households; emergency housing, emergency shelters, and permanent supportive housing; and, within UGAs, consideration of duplexes, triplexes, and townhomes.
- Make adequate provisions for existing and projected needs of all economic segments of the community, including:
  - Incorporating consideration for moderate-, low-, very low-, and extremely low-income households.
  - Documenting programs and actions needed to achieve housing availability.
  - Considering housing locations in relation to employment location.
  - Considering the role of accessory dwelling units in meeting housing needs.
- Identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing (e.g., disinvestment, zoning that may have a discriminatory effect, and infrastructure availability).
- Identify and implement policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by prior and current local policies, plans, and actions.
- Identify areas at higher risk of displacement from market forces that occur with changes to development regulations and capital investments.
- Establish anti-displacement policies, with consideration given to strategies such as the preservation of historical and cultural communities, equitable development initiatives, inclusionary zoning, and tenant protections.

HB 1220 also instructs the Washington State Department of Commerce to provide an inventory and analysis of existing and projected housing needs that identify the number of housing units necessary to manage projected growth, including projections for units affordable to moderate- to extremely low-income households, emergency housing, emergency shelters, and permanent supportive housing.

Growth Management Planning Council

On June 23, 2021, the Growth Management Planning Council (GMPC) adopted recommended amendments to the King County CPPs, including amendments to align the CPP Housing Chapter with changes to the GMA, PSRC's VISION 2050, and the Regional Affordable Housing Task Force's Final Report and Recommendations, while centering equitable outcomes in the policy amendments. King County Countywide Planning Policies, in the Housing Chapter, support a range of affordable, accessible, and healthy housing choices for current and future residents. Further, they respond to the legacy of discriminatory housing and land use policies and practices (e.g., redlining, racially restrictive covenants, exclusionary zoning, etc.) that have led to significant racial and economic disparities in access to housing and neighborhoods of choice. These disparities affect equitable access to well-funded schools, healthy environments, open space, and employment. Policies in the Housing Chapter include:

> H-1 All comprehensive plans in King County combine to address the countywide need for housing affordable to households with low-, very low-, and extremely low-incomes, including those with special needs, at a level that calibrates with the jurisdiction's identified affordability gap for those households and results in the combined comprehensive plans in King County meeting countywide need.
>
> The countywide need for housing in 2044 by percentage of AMI is:
>
> - 30 percent and below AMI (extremely low) 15 percent of total housing supply
> - 31–50 percent of AMI (very low) 15 percent of total housing supply
> - 51–80 percent of AMI (low) 19 percent of total housing supply
>
> H-2 Prioritize the need for housing affordable to households at or below 30 percent AMI (extremely low-income) by implementing tools such as: Increasing capital, operations, and maintenance funding; Adopting complementary land use regulations; Fostering welcoming communities,

including people with behavioral health needs; Adopting supportive policies; and Supporting collaborative actions by all jurisdictions.

H-3 Update existing and projected countywide and jurisdictional housing needs using data and methodology provided by the Washington State Department of Commerce, in compliance with state law.

H-4 Conduct an inventory and analysis in each jurisdiction of existing and projected housing needs of all segments of the population and summarize the findings in the housing element.

H-5 Evaluate the effectiveness of existing housing policies and strategies to meet a significant share of countywide need. Identify gaps in existing partnerships, policies, and dedicated resources for meeting the countywide need and eliminating racial and other disparities in access to housing and neighborhoods of choice.

H-6 Document the local history of racially exclusive and discriminatory land use and housing practices, consistent with local and regional fair housing reports and other resources. Explain the extent to which that history is still reflected in current development patterns, housing conditions, tenure, and access to opportunity. Identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including zoning that may have a discriminatory effect, disinvestment, and infrastructure availability. Demonstrate how current strategies are addressing impacts of those racially exclusive and discriminatory policies and practices. The County will support jurisdictions in identifying and compiling resources to support this analysis.

H-7 Collaborate with diverse partners (e.g., employers, financial institutions, philanthropic, faith, and community-based organizations) on provision of resources (e.g., funding, surplus property) and programs to meet countywide housing need.

H-8 Work cooperatively with the Puget Sound Regional Council, subregional collaborations and other entities that provide technical assistance to local jurisdictions to support the development, implementation, and monitoring of strategies that achieve the goals of this chapter.

H-9 Collaborate with populations most disproportionately impacted by housing cost burden in developing, implementing, and monitoring strategies that achieve the goals of this chapter. Prioritize the needs and solutions articulated by these disproportionately impacted populations.

H-10 Adopt intentional, targeted actions that repair harms to Black, Indigenous, and other People of Color households from past and current racially exclusive and discriminatory land use and housing practices (generally identified through Policy H-6). Promote equitable outcomes in partnership with communities most impacted.

H-11 Adopt policies, incentives, strategies, actions, and regulations that increase the supply of long-term income-restricted housing for extremely low-, very low-, and low-income households and households with special needs.

H-12 Identify sufficient capacity of land for housing including, but not limited to income restricted housing; housing for moderate-, low-, very low-, and extremely low-income households; manufactured housing; multifamily housing; group homes; foster care facilities; emergency housing; emergency shelters; permanent supportive housing; and within an urban growth area boundary, duplexes, triplexes, and townhomes.

H-13 Implement strategies to overcome cost barriers to housing affordability. Strategies to do this vary but can include updating development standards and regulations, shortening permit timelines, implementing online permitting, optimizing residential densities, reducing parking requirements, and developing programs, policies partnerships, and incentives to decrease costs to build and preserve affordable housing.

H-14 Prioritize the use of local and regional resources (e.g., funding, surplus property) for income-restricted housing, particularly for extremely low-income households, populations with special needs, and others with disproportionately greater housing needs. Consider projects that promote access to opportunity, anti-displacement, and wealth building for Black, Indigenous, and People of Color communities to support implementation of policy H-10.

H-15 Increase housing choices for everyone, particularly those earning lower wages, that is co-located with, accessible to, or within a reasonable commute to major employment centers and affordable to all income levels. Ensure there are zoning ordinances and development regulations in place that allow and encourage housing production at levels that improve jobs housing balance throughout the county across all income levels.

H-16 Expand the supply and range of housing types, including affordable units, at densities sufficient to maximize the benefits of transit investments throughout the county.

H-17 Support the development and preservation of income-restricted affordable housing that is within walking distance to planned or existing high-capacity and frequent transit.

H-18 Adopt inclusive planning tools and policies whose purpose is to increase the ability of all residents in jurisdictions throughout the county to live in the neighborhood of their choice, reduce disparities in access to opportunity areas, and meet the needs of the region's current and future residents by:

a) Providing access to affordable housing to rent and own throughout the jurisdiction, with a focus on areas of high opportunity;

b) Expanding capacity for moderate-density housing throughout the jurisdiction, especially in areas currently zoned for lower density single-family detached housing in the Urban Growth Area, and capacity for high-density housing, where appropriate, consistent with the Regional Growth Strategy;

c) Evaluating the feasibility of, and implementing, where appropriate, inclusionary and incentive zoning to provide affordable housing; and

d) Providing access to housing types that serve a range of household sizes, types, and incomes, including 2+ bedroom homes for families with children and/or adult roommates and accessory dwelling units, efficiency studios, and/or congregate residences for single adults.

H-19 Lower barriers to and promote access to affordable homeownership for extremely low-, very low-, and low-income, households. Emphasize:

a) Supporting long-term affordable homeownership opportunities for households at or below 80 percent AMI (which may require up-front initial public subsidy and policies that support diverse housing types); and

b) Remedying historical inequities in and expanding access to homeownership opportunities for Black, Indigenous and People of Color communities.

H-20 Adopt policies and strategies that promote equitable development and mitigate displacement risk, with consideration given to the preservation of historical and cultural communities as well as investments in low-, very low-, extremely low-, and moderate-income housing production and preservation; dedicated funds for land acquisition; manufactured housing community preservation, inclusionary zoning; community planning requirements; tenant protections; public land disposition policies; and land that may be used for affordable housing. Mitigate displacement that may result from planning efforts, large-scale private investments, and market pressure. Implement anti-displacement measures prior to or concurrent with development capacity increases and public capital investments.

H-21 Implement, promote, and enforce fair housing policies and practices so that every person in the county has equitable access and opportunity to thrive in their communities of choice, regardless of their race, gender identity, sexual identity, ability, use of a service animal, age, immigration status, national origin, familial status, religion, source of income, military status, or membership in any other relevant category of protected people.

H-22 Adopt and implement policies that protect housing stability for renter households; expand protections and supports for low-income renters and renters with disabilities.

H-23 Adopt and implement programs and policies that ensure healthy and safe homes.

H-24 Plan for residential neighborhoods that protect and promote the health and well-being of residents by supporting equitable access to parks and open space, safe pedestrian and bicycle routes, clean air, soil and water, fresh and healthy foods, high-quality education from early learning through K–12, affordable and high-quality transit options and living wage jobs and by avoiding or mitigating exposure to environmental hazards and pollutants.

H-25 Monitor progress toward meeting countywide housing growth targets, countywide need, and eliminating disparities in access to housing and neighborhood choices. Where feasible, use existing regional and jurisdictional reports and monitoring tools and collaborate to reduce duplicative reporting.

AFFORDABLE HOUSING STRATEGY

The city adopted an Affordable Housing Strategy (AHS) in 2017 that includes five strategies and 21 actions to increase the availability and access to affordable housing over a 10-year period. The primary purpose of the AHS is to improve affordable housing opportunities throughout the city consistent with City Council priorities, Comprehensive Plan guidance, and Economic Development Plan strategies.

The AHS supports a healthy housing market in the city that:

- Provides affordability across a range of incomes mirroring Bellevue's population and workforce.
- Provides a variety of affordable housing choices that meet the needs of the community including:
  - Young people in college or just entering the job market.
  - First-time home buyers or new employees who are ready to purchase a home.
  - The city's aging population, especially those on fixed/limited income, who wish to remain in the community.
  - Families that want to keep their children in Bellevue schools.
- Preserves the integrity of single-family areas while considering, through the neighborhood planning process, housing that can accommodate a wider spectrum of needs, and foster ongoing investments by individual homeowners.

7.2.2 Current Conditions

This section summarizes information on current housing, affordability, housing type diversity, displacement risk, and access to transit, both citywide and by the following sub geographies: Mixed Use Centers, Neighborhood Centers, transit-proximate areas, and the Wilburton study area.

CITYWIDE

Current Housing Supply and Diversity

As of 2022, there were an estimated 65,891 housing units in Bellevue per the Washington State Office of Financial Management (OFM). This EIS uses data from 2019 as a base year, which matches the CPP growth target base year; the city's records show about 64,372 units, rounded across the geographies in **Table 7-1**.

TABLE 7-1 **Current Housing Units by Location 2019**

Housing Units	Mixed Use Centers	Neighborhood Centers	Transit-Proximate Areas	Wilburton Study Area	Outside Centers/ Transit Corridors	Citywide
Existing	17,700	200	19,000	400	26,700	**64,000***

SOURCE: City of Bellevue 2023; Table prepared by BERK 2023

* Exact count in city database is 64,372.

Most of the housing is concentrated in Mixed Use Centers and transit-proximate areas. See Figure 7-9, below.

Housing units in Bellevue increased by 17,372 units from 2000 to 2022. Of those, 3,353 came from annexations of existing housing units, most of which occurred in 2002 and 2013. Half of the city's housing units are single-family homes, down from 59 percent in 2000. Between 2000 and 2020, Bellevue produced very few single-family residential units and more than 12,000 multi-family units. On average, after excluding annexations, Bellevue has produced 637 units per year between 2000 and 2022. Annexed housing units account for 84 percent of all new single-family houses added during this period.

As of 2020, an estimated 53 percent of households in Bellevue owned their home, while 47 percent rented their home. This represents a decline in the proportion of owner household units since 1990, when 58 percent of Bellevue households were homeowners and 42 percent were renters. The breakdown of households between renters and owners and by size has changed over the past couple of decades. Bellevue is gaining renter households at a much faster rate than owner households. Between 2000 and 2020, the city experienced a net gain of more than 5,600 small households (1 or 2 members), the overwhelming majority of which (5,500 households) were renter households.

The increase in renter households in Bellevue is closely related to the current rate of multi-family housing development in the city. The city has almost exclusively produced multi-family housing in the past two decades, and therefore, mostly rental housing. Between 2000 and 2020, Bellevue produced very few single-family residential units and more than 12,000 multi-family units. More than 80 percent of multi-family occupied housing units are renter-occupied, versus 19 percent of single-family occupied housing units.

Affordability

The term "affordable housing" refers to a household's ability to find housing within its financial means. The city further defines affordable housing as affordable to 80 percent Area median income (AMI) and below. AMI is the widespread metric used for assessing housing affordability and developed by HUD for determining eligibility for subsidized housing. HUD establishes extremely low-, very low-, low-, and median-income thresholds for households between one and eight people in size. The income levels produced by HUD are only available for certain metropolitan areas. The City of Bellevue falls within the Seattle-Bellevue HUD Metro Fair Market Rent (FMR) Area, which extends over King and Snohomish counties.

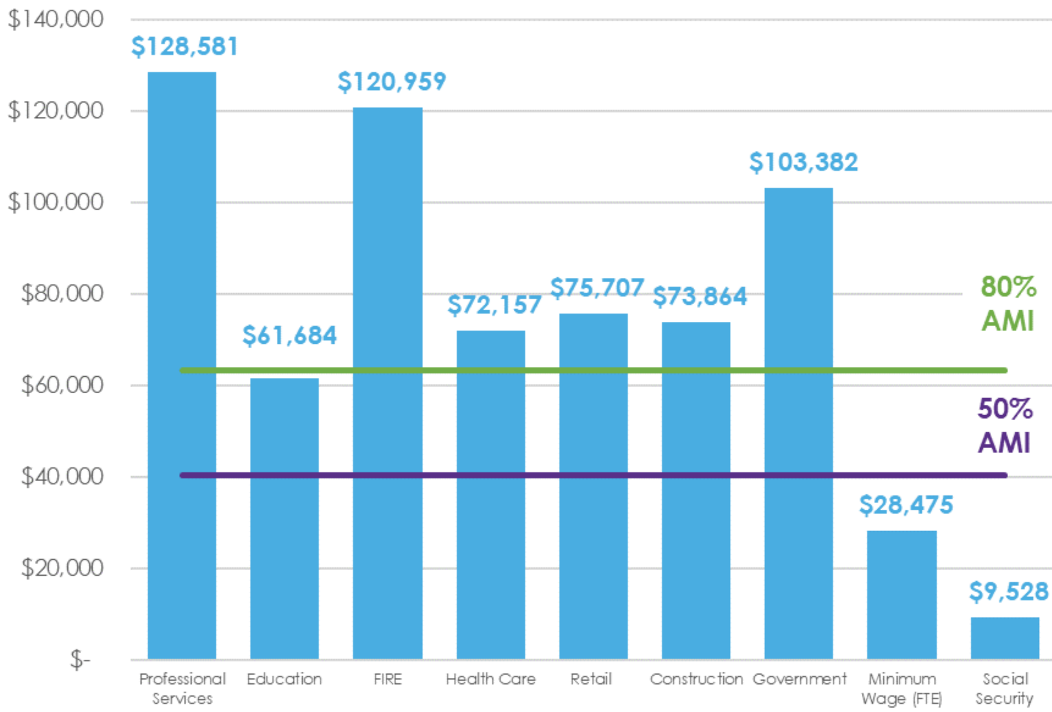
Figure 7-1 shows the median income of Bellevue's employed residents for select industries, as well as the income for individuals earning minimum wage or relying on Social Security in 2021. Households reliant on minimum wage or Social Security for income are likely to be very low-income households earning below the 50 percent AMI income limit for a 1-person household ($40,500). Several industries in which a large share of Bellevue residents work have a median wage above 80 percent AMI ($63,350). Professional services; finance, insurance, and real estate (FIRE); and government jobs are high earning. The other selected industries have a median income close to the 80 percent AMI level.

Home Values and Rental Housing

Reflecting regional trends, home values in Bellevue have steadily increased since 2000. Home prices in the region have increased significantly between 2000 and 2021, with a slump during the Great Recession. During this period, Bellevue has had higher home prices relative to King County. In 2022, the median sales price for homes in Bellevue was $1.5 million, an increase of more than 200 percent from 10 years earlier, when the median sales price was $491,600.

During this time, Bellevue's median home value grew at the highest compound annual growth rate (7.3 percent) while the county as a whole, and Seattle, grew at a slower rate, with a 6.2 percent and 6.1 percent annual growth rate, respectively.

Bellevue has a higher share of homeowners (53 percent) than Redmond (50 percent) and Seattle (45 percent) and a lower share of homeowners than Kirkland (62 percent) and King County as a whole (56 percent). The breakdown of households by tenure and size has changed over the past couple of decades. Between 2000 and 2020,



SOURCE: HUD 2021; US Census Bureau 1-year Estimates ACS 2021; Social Security Administration 2021; Washington State Department of Labor & Industries 2021; Community Attributes Inc. 2022

FIGURE 7-1 **Median Income by Industry for Employed Residents vs. HUD Income Limits (1-Person Household), Citywide, 2021**

Bellevue gained renter households at a much faster rate than owner households. Between 2000 and 2020, the city experienced a net gain of more than 5,600 small households (1 or 2 members), the overwhelming majority of which (5,500 households) were renter households.

The increase in renter households in Bellevue is closely related to the current rate of multi-family housing development in the city. The city has almost exclusively produced multi-family housing in the past two decades, and therefore, mostly rental housing. More than 80 percent of multi-family occupied housing units are renter-occupied, versus 19 percent of single-family occupied housing units. This reflects regional patterns where construction of multi-family units has risen substantially and now accounts for about two-thirds of all housing construction in the region.

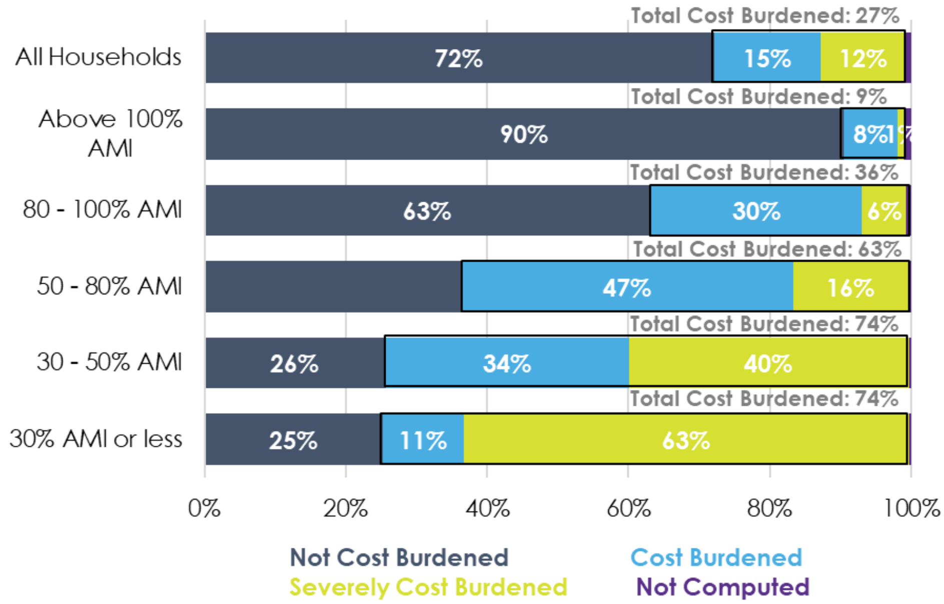
Rental costs have followed a similar pattern to the increase of home values. From 2010 to 2020, the median rent in Bellevue increased by more than 80 percent. Bellevue's median rent in 2020 is about $400 higher than King County as a whole.

Cost Burdened Households

The number of households that are "cost-burdened" (defined as spending too much of their income on housing) is an indicator of affordable housing needs. HUD defines a household as cost burdened if they pay between 30 percent and 50 percent of their gross household income for housing, and severely cost burdened if they pay more than 50 percent of their gross household income on housing.

Cost Burden by Income

Income level is a clear indicator of the likelihood that a household is cost burdened. Across Bellevue and all income levels, 27 percent of households are cost burdened (**Figure 7-2**). The least cost burdened income level is above 100 percent AMI, of whom only 9 percent are cost burdened. Across all other income groups, at least one-third of households are cost burdened, including moderate income groups of 50 to 80 percent and 80 to 100 percent AMI. Low- and very low-income households are equally cost burdened (both at 74 percent), but very low-income groups are more likely to be severely cost burdened. Nearly two-thirds of all very low-income households are severely cost burdened, compared to 40 percent of households earning 30 percent to 50 percent AMI.

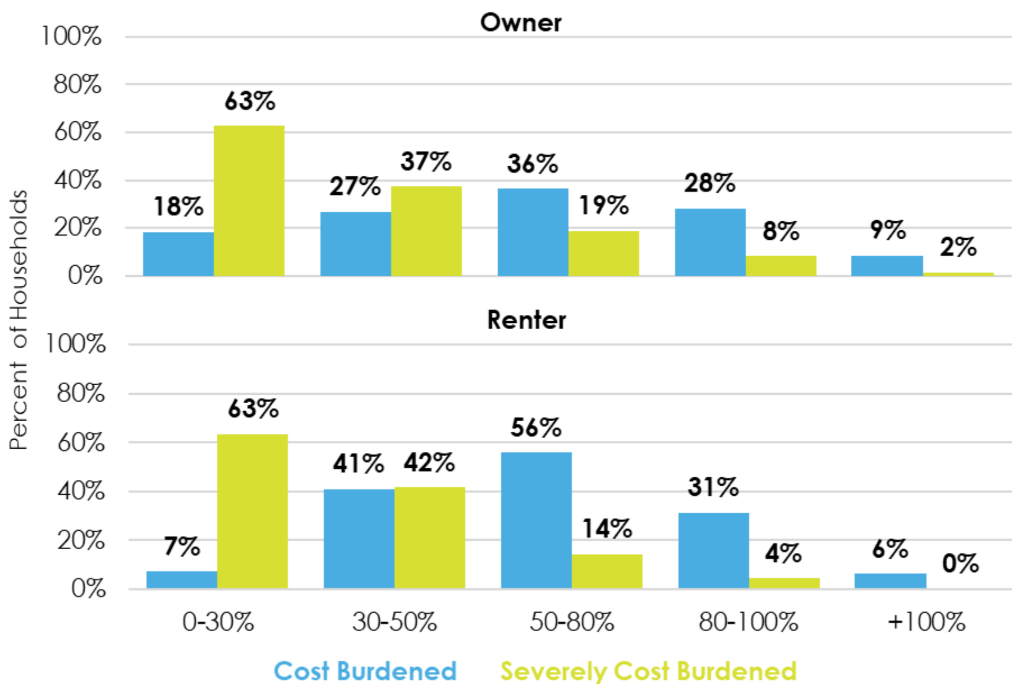


SOURCE: HUD CHAS 2022; Community Attributes Inc. 2022

FIGURE 7-2 **Cost Burden by Income Range, Percent of Households, Citywide, 2019**

Cost Burden by Tenure

In addition, whether a household rents (referred to as tenure) or owns can indicate the likelihood that a household is cost burdened, as shown in **Figure 7-3**. In Bellevue, Renters are more cost burdened than owners. Seventeen percent of renters, and 14 percent of owners are cost-burdened. Fifteen percent of renter households, and 10 percent of owner households are severely cost burdened. The share of severe cost burden for renter and homeowning households decreases as income levels increase.



SOURCE: HUD CHAS 2022; Community Attributes Inc. 2022

FIGURE 7-3 **Distribution of Cost Burdened Status (Households) by AMI and Tenure, Bellevue, 2019**

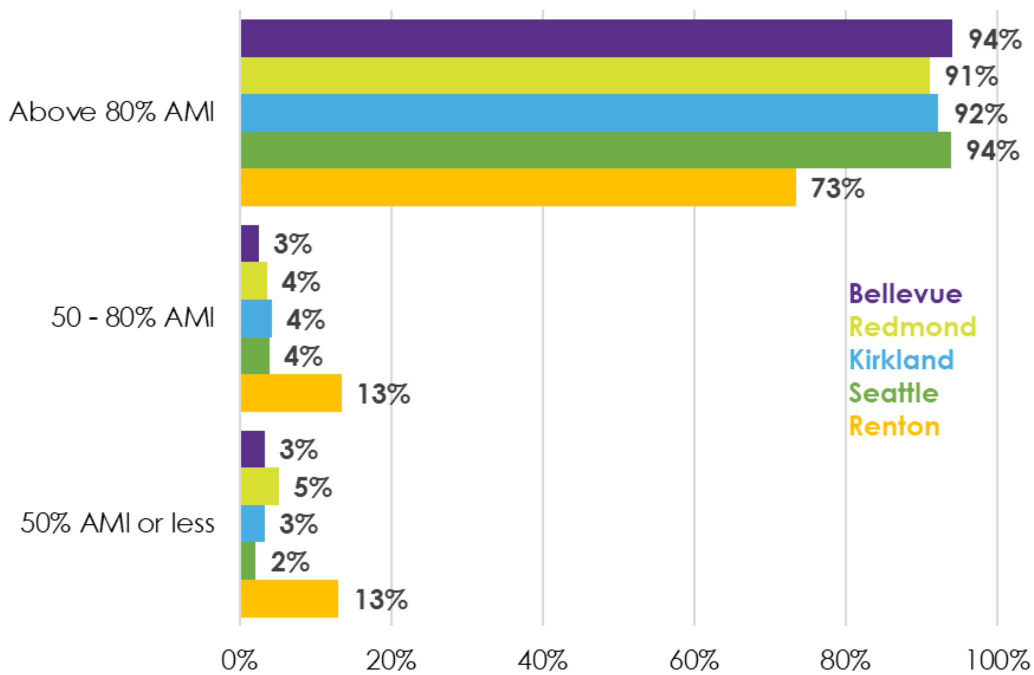
Relative to the county as a whole, a smaller share of Bellevue renting households is cost burdened and severely cost burdened.

Gaps in Housing Availability by Affordability Level

Citywide, the number of housing units affordable at lower income levels does not match the number of households with said income. Analysis in the Housing Needs Assessment (City of Bellevue 2022) shows that Bellevue has a deficit in the number of units affordable to households in the 30–50 percent AMI and <30 percent AMI income groups. The data also show that the housing inventory that is affordable to households with incomes above 50 percent AMI is higher than the percentage of households at that income level.

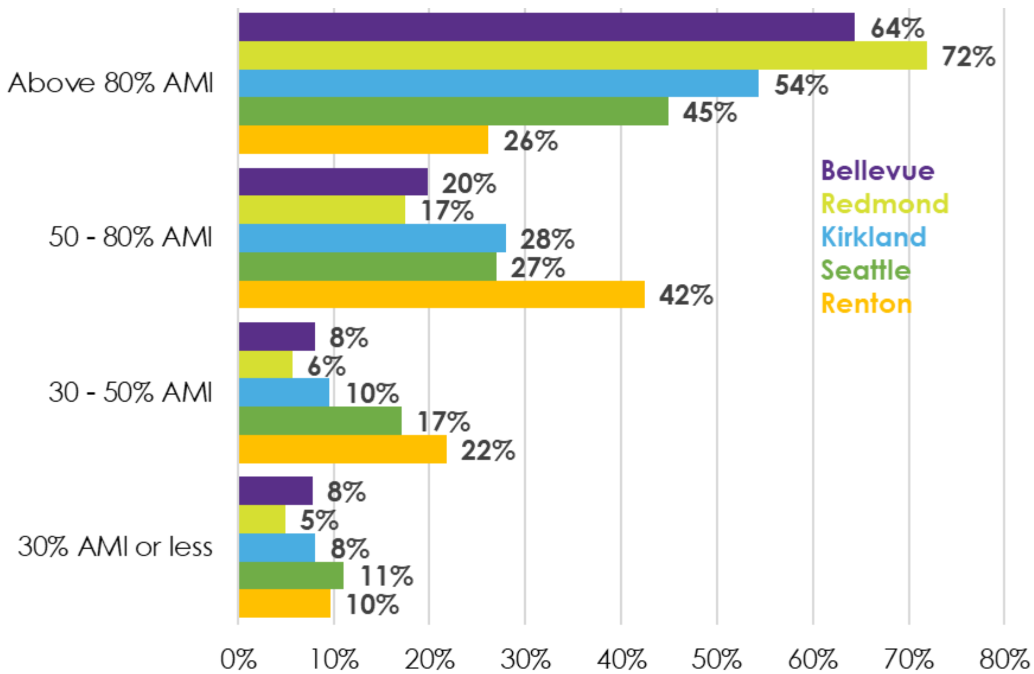
For owner-occupied units, Bellevue has 29,880 owner-occupied units (94 percent) affordable to Bellevue's higher income population (above 80 percent AMI), but only 1,870 units (6 percent) available to its moderate and low-income population. For rental units, while Bellevue has over 23,300 affordable rental units to its middle (50 to 80 percent AMI) and higher income (above 80 percent AMI) populations, fewer than 4,500 affordable rental units are available for its lower income population.

Bellevue's affordable housing units at 80 percent AMI or less are mostly located on the east side of the Bridle Trails neighborhood, in Crossroads, and Lake Hills between 164th Avenue NE and 156th Avenue NE and in the central part of the city, including Wilburton, West Bellevue, and parts of Eastgate/Factoria.



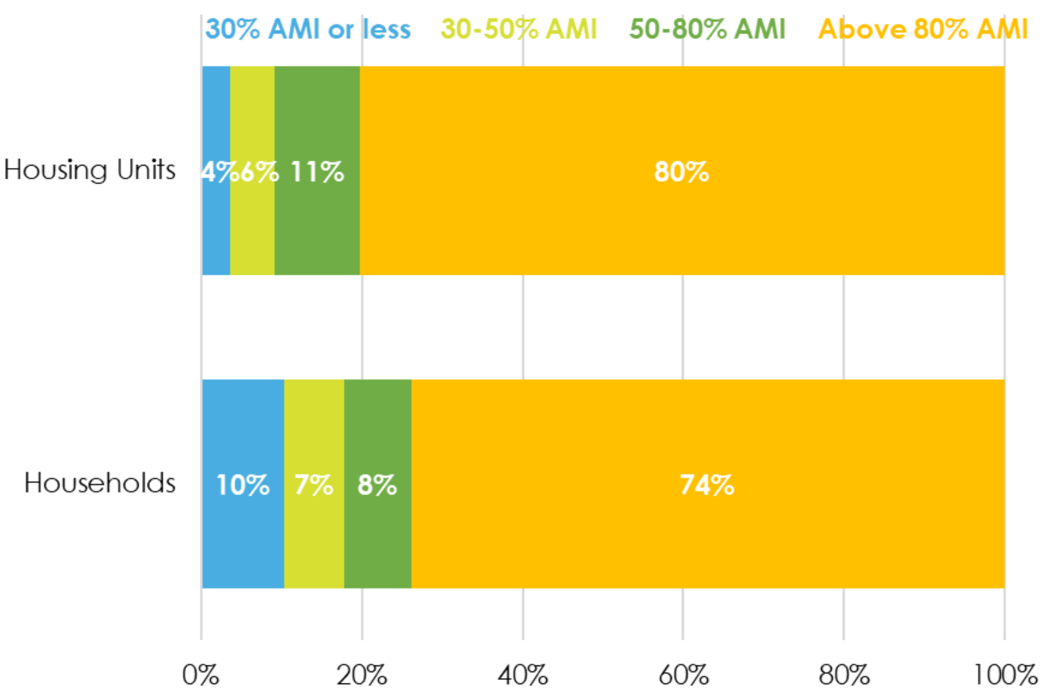
SOURCE: HUD CHAS 2022; Community Attributes Inc., 2022

FIGURE 7-4 **Number of Owner-Occupied Units Affordable to Each Income Level, Bellevue**



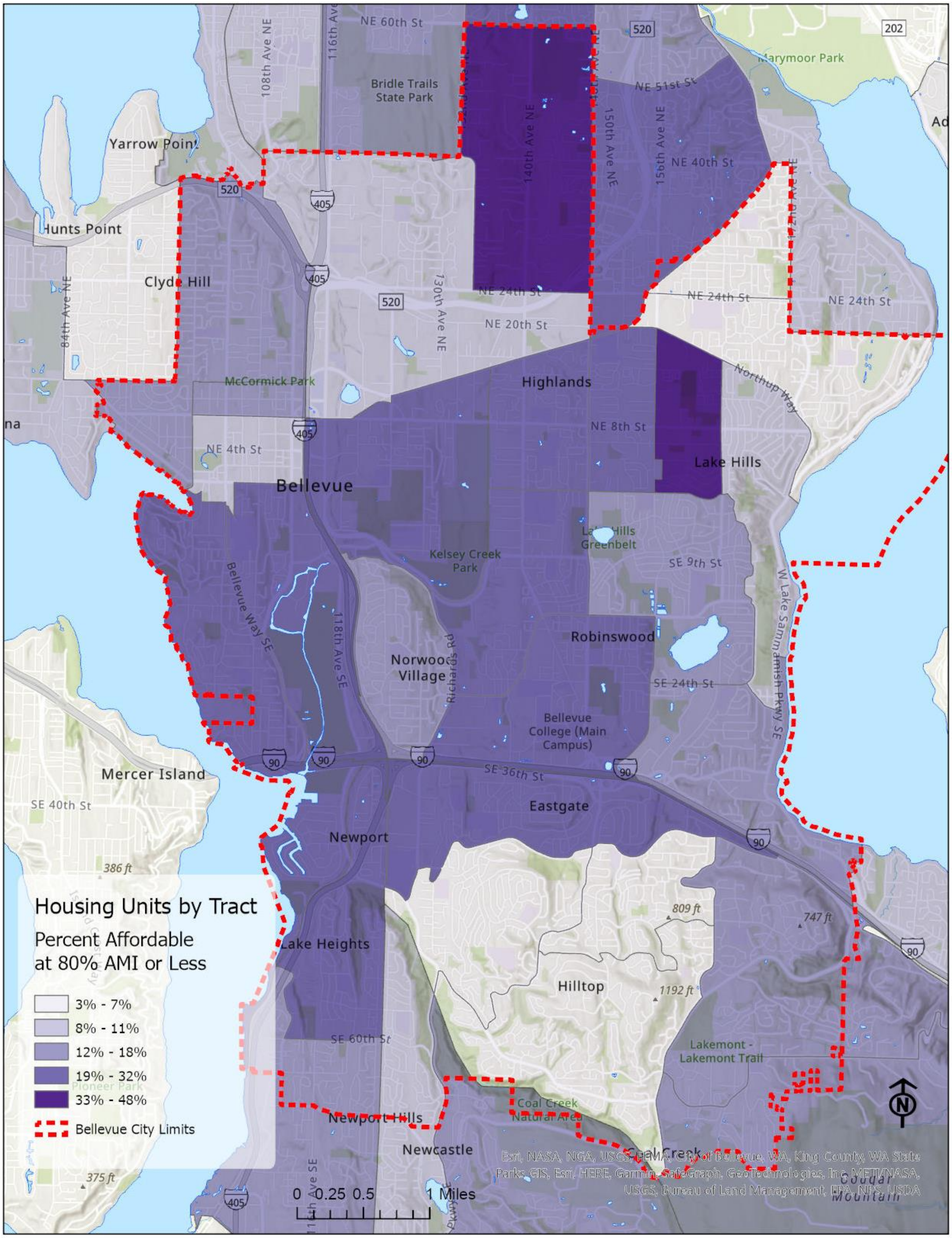
SOURCE: HUD CHAS 2022; Community Attributes Inc., 2022

FIGURE 7-5 **Number of Rental Units Affordable to Each Income Level, Bellevue**



SOURCE: HUD CHAS 2022; Community Attributes Inc. 2022

FIGURE 7-6 **Affordability of Housing Units Compared to Household Incomes, Bellevue, 2019**



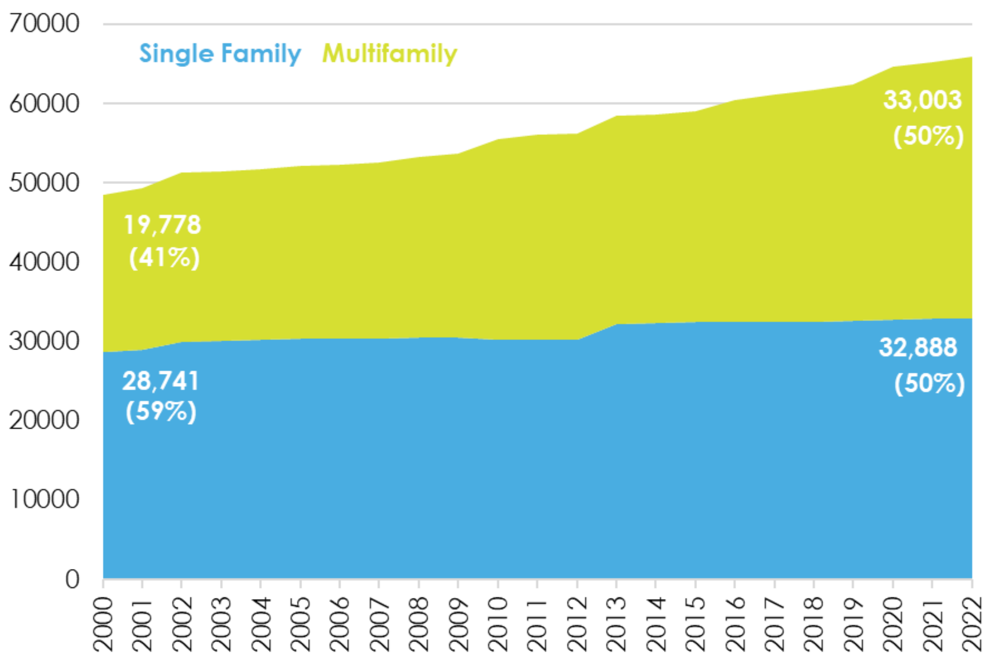
SOURCE: CHAS 5- HUD CHAS 2022; Community Attributes Inc. 2022

FIGURE 7-7 **Share of Housing Units Affordable at 80 Percent AMI or less, Bellevue, 2019**

Housing Diversity

At 50 percent of its housing stock, low-density, single-family housing accounts for roughly half of the existing housing supply in the city. Relative to the county, Bellevue's existing housing inventory has a smaller proportion of single-family housing. Bellevue's 50 percent share of single-family housing units is below that of King County's 54 percent share. It is also lower than cities such as Kirkland (54 percent) and Renton (55 percent), and higher than cities such as Seattle (37 percent) and Redmond (43 percent).

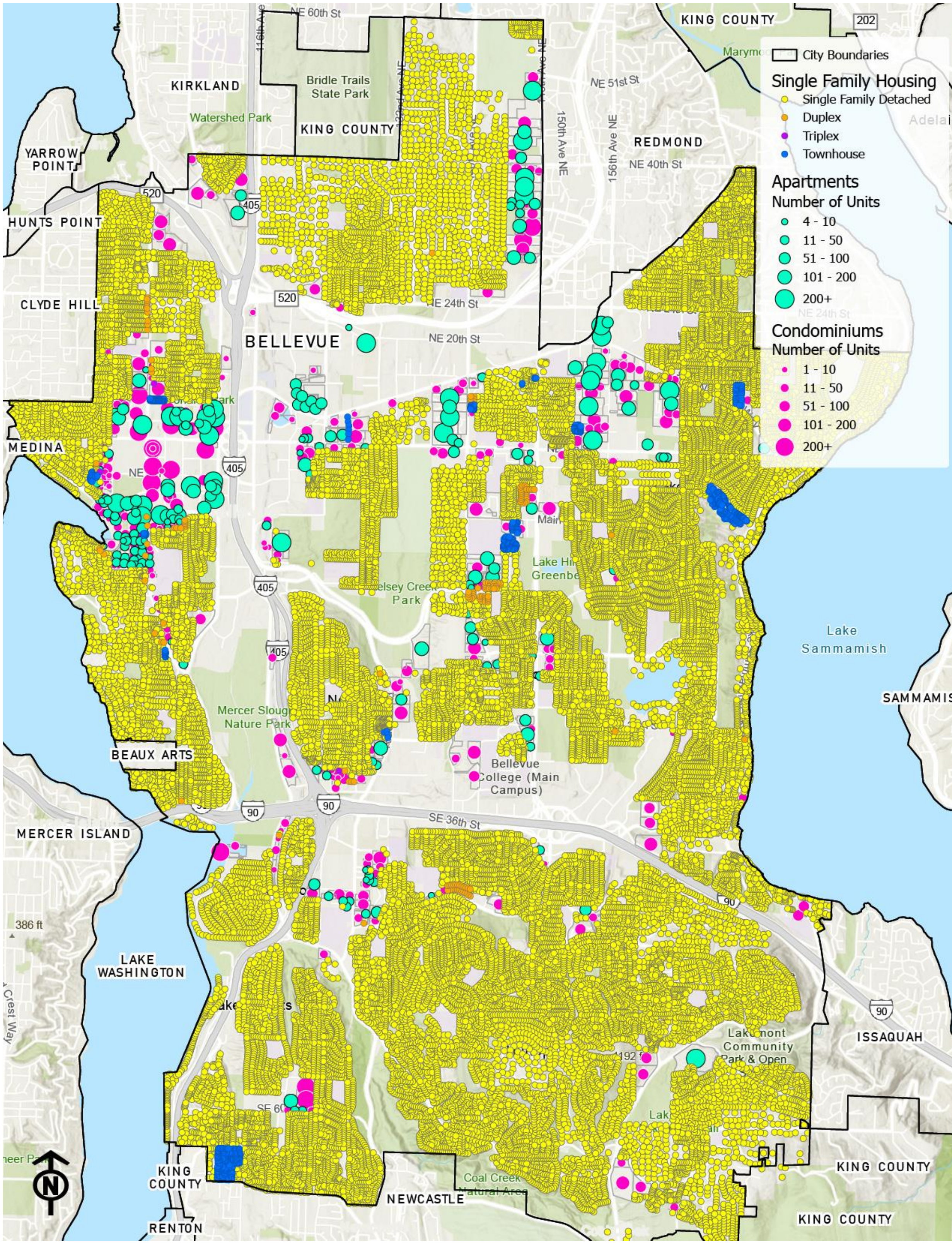
Figure 7-8 shows the distribution of housing unit types across the city of Bellevue, and **Figure 7-9** shows the distribution of these units across the city.



SOURCE: Washington OFM 2022; CAI 2022

FIGURE 7-8 **Housing Units by Number of Units in Structure, Citywide, 2000 to 2022**

Geographically, the highest concentration of condominiums and apartment units is clustered around the Downtown area, west of I-405. Other clusters are in the Bridle Trails (along 148th Avenue NE) and Crossroads neighborhoods. The remainder of multi-family units are dispersed throughout the central neighborhoods of Bellevue.



SOURCE: King County Department of Assessments 2020; CAI 2022

FIGURE 7-9 **Housing Types and Units per Parcel, Citywide, 2020**

Displacement Risk

Figure 7-10 shows displacement risk based on the Regional Displacement Risk Index, created by PSRC as part of the VISION 2050 long-range Regional Growth Strategy effort.

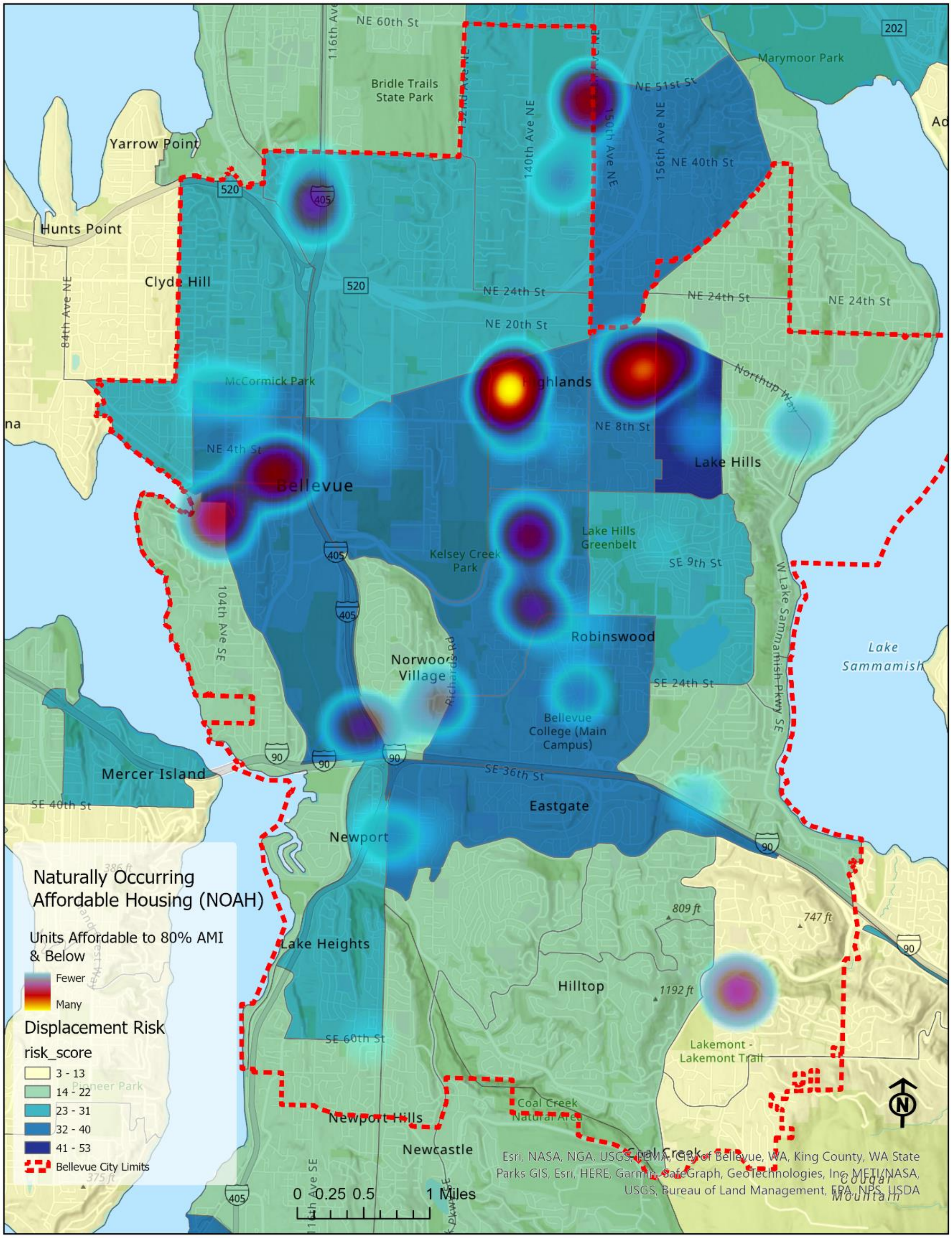
This index combines data at the census tract level about socio-demographics, transportation, neighborhood characteristics, housing, and civic engagement to determine areas that are likely to be the most vulnerable to displacement in the region. The tool identifies places in the central Puget Sound region where people and businesses may be at risk of displacement. It classifies areas as having lower, moderate, or higher risk of displacement based on current neighborhood conditions. This tool assesses a general risk of displacement but cannot accurately predict if displacement will occur, the speed of displacement that occurs, or to what intensity displacement will appear within a community. Displacement can be physical, where building conditions deteriorate or where redevelopment occurs; or economic, where housing-related costs rise.

Figure 7-10 also shows the location of naturally occurring affordable housing (NOAH) properties in Bellevue identified through a separate analysis for the city's Housing Needs Assessment.

There is some overlap in Bellevue between areas with high NOAH density and higher displacement risk. If there is a loss of affordable housing in the community, such as through the renovation or redevelopment of NOAH that reduces its affordability, some households may need to leave the city and move to other locations to find appropriate and affordable housing.

Access to Transit

Of the 64,000 existing housing units, about 19,000 units or 30 percent are in areas with good access to transit.



SOURCE: CoStar 2022; HUD CHAS Income Limits 2022; PSRC Displacement Risk Index, Data collected from American Community Survey (ACS), U.S. Census Bureau; Consolidated Housing Affordability Strategy (CHAS), U.S. Department of Housing & Urban Development (HUD); Google; County elections data; 2011 to 2018; CAI 2022.

FIGURE 7-10 **Naturally Occurring Affordable Housing (NOAH) and Displacement Risk, Citywide**

BELLEVUE COMPREHENSIVE PLAN 2044

MIXED USE CENTERS

There are six Mixed Use Centers in the City of Bellevue: Downtown, BelRed, Eastgate, Factoria, Wilburton-East Main, and Crossroads. Downtown is considered a Metropolitan Regional Growth Center in VISION 2050; the others are proposed as Countywide Growth Centers. Note that the boundaries of the Wilburton-East Main Mixed Use Center and Wilburton study area are different.

Current Housing Supply and Diversity

There are about 17,650 housing units within Mixed Use Centers. The bulk of housing units within Mixed Use Centers, about 16,650 units, or 94 percent, are multi-family units. Downtown has the largest proportion of units among centers, while Eastgate has the lowest (**Table 7-2**).

TABLE 7-2 **Current Housing, Units by Type in Mixed Use Centers**

Unit Type	Downtown	BelRed	Eastgate	Factoria	Wilburton-East Main	Crossroads
Single-Family Units	79	0	159	194	50	531
Multi-Family Units	9,884	588	28	1,008	362	4,783
Total	***9,963***	***588***	***187***	***1,202***	***412***	***5,314***

SOURCE: BERK 2023

Downtown

Downtown Bellevue is home to regional shopping destinations, major office buildings, a historic Main Street, and several housing developments. Since the late 1990s, a large number of new residential developments have been built in Downtown, and the area is now one of the city's largest residential neighborhoods. There are currently 9,963 housing units in Downtown representing 15 percent of the units citywide. Multi-family housing accounts for all of the housing in Downtown.

BelRed

BelRed was historically characterized by warehouses and manufacturing. The center has begun to transition with the departure of many of the traditional uses, the expansion of the Medical Institution District, and the introduction of residential uses in close proximity to office and retail uses.

As of 2019, the BelRed Mixed Use Center had over 600 housing units (about 1 percent of units citywide). All of this housing is multi-family housing, primarily larger apartment buildings with studios and one-bedroom units.

Eastgate

As of 2019, the Eastgate Mixed Use Center had 187 housing units (less than 1 percent of units citywide). Housing primarily for students of Bellevue College accounts for most of the housing here.

Factoria

Factoria includes the Market Place at Factoria—a regional retail center—as well as retail and services that cater to the surrounding neighborhoods. As of 2019, the Factoria Mixed Use Center had about 1,200 housing units (2 percent of units citywide). Housing here is primarily multi-family apartment complexes or condos.

Wilburton-East Main

The Wilburton-East Main center is located along the I-405 corridor and includes the Wilburton study area and areas east of the light-rail station to I-405 and southeast to SE 8th Street. The area includes a concentration of offices and hotels and a significant number of auto dealers and large format or "big box" retail stores. As of 2019, about 400 housing units were located in Wilburton-East Main (less than 1 percent of units citywide). Housing here is also all multi-family.

Crossroads

Crossroads is a community commercial center containing retail stores and offices that serve both the nearby neighborhoods and the larger community. As of 2019, about 5,300 housing units (or 8 percent of units citywide) are located here. Housing here is comprised of primarily multi-family apartment complexes or condos with 5 or more units.

Affordability

Downtown

Median rents in the Downtown area are in the $2,300 range. The Housing Needs Assessment estimated rents that are affordable to households at two different income levels: $2,150 for households at 80 percent and $1,345 for households at 50 percent of AMI. This is based on HUD Income Limits for a 3-person household (the equivalent of a 2-bedroom unit when assuming 1.5 people per bedroom). Based on this assessment, median rents in Downtown are not affordable to these households.

Analysis of market rental units to identify existing NOAH shows that areas to the southeast and southwestern corner of Downtown currently have some NOAH units or existing multi-family rental properties that are affordable without public subsidy to households earning 80 percent AMI or below. According to Zillow data in February 2022, average home values in Downtown are between $1 million and $1.5 million.

BelRed

Median rents in BelRed are in the $2,100 range. Based on the assessment noted above, median rents in BelRed are not affordable to households at 50 percent AMI and just about affordable to households at 80 percent AMI.

Analysis of market rental units to identify existing NOAH shows that areas in the southeast corner of BelRed currently have some NOAH units or existing multi-family rental properties that are affordable without public subsidy to households earning 80 percent AMI or below. This includes units in the southeast (Illahee Apartments) purchased by the city in collaboration with King County Housing Authority and preserved as affordable housing. BelRed also has some rent-restricted units that were built as part of the Amenity Incentive System.

According to Zillow data in February 2022, average home values in BelRed are between $1 million and $1.5 million.

Eastgate

Median rents in Eastgate are in the $2,000 range. Based on the assessment noted above, median rents in Eastgate are not affordable to households at 50 percent AMI but affordable to households at 80 percent AMI.

Analysis of market rental units to identify existing NOAH shows that this center currently has fewer NOAH units or existing multi-family rental properties that are affordable without public subsidy to households earning 80 percent AMI or below. According to Zillow data in February 2022, average home values in Eastgate are between $1 million and $1.5 million.

Factoria

Median rents in Factoria are in the $1,800 range. Based on the assessment noted above, median rents in Factoria are not affordable to households at 50 percent AMI. Rents here are affordable to households at 80 percent AMI.

Analysis of market rental units to identify existing NOAH shows that this center currently has fewer NOAH units or existing multi-family rental properties that are affordable without public subsidy to households earning 80 percent AMI or below. According to Zillow data in February 2022, average home values in Factoria are less than $1 million.

Wilburton-East Main

Median rents in the center are in the $1,700 range. Based on the assessment noted above, median rents in Wilburton-East Main are not affordable to households at 50 percent AMI but are affordable to households at 80 percent AMI.

With its small number of total housing units, however, this center is not a significant location for affordable housing. According to Zillow data in February 2022, average home values in Wilburton-East Main are between $1 million and $1.5 million.

Crossroads

Median rents in the center are in the $1,720 range. Based on the assessment noted above, median rents in Crossroads are not affordable to households at 50 percent AMI but are affordable to households at 80 percent AMI.

Analysis of market rental units to identify existing NOAH shows that Crossroads currently has many NOAH units or existing multi-family rental properties that are affordable without public subsidy to households earning 80 percent AMI or below. According to Zillow data in February 2022, average home values in Crossroads are between $1 million and $1.5 million.

Displacement Risk

A combination of rising housing prices, insufficient affordable housing production, and limited tenant protections has led to increases in displacement. Displacement can be physical, where building conditions deteriorate or where redevelopment occurs; or economic, where housing-related costs rise. Studies have shown that the rates of displacement for very low- to moderate-socioeconomic groups as a result of new market-rate housing construction are not as high as commonly feared and can be mitigated. Additions of housing supply, especially at the regional level, can address the pressures of economic displacement.

Table 7-3 summarizes housing in the Mixed Use Centers based on displacement risk. The risk of displacement information is based on the Regional Displacement Risk Index, created by PSRC as part of the VISION 2050 long-range Regional Growth Strategy effort.

TABLE 7-3 **Housing in Areas of Displacement Risk, Units by Mixed Use Center**

Mixed Use Centers	Lower		Moderate		Higher	
	SF	MF	SF	MF	SF	MF
BelRed	—	588	—	—	—	—
Crossroads	—	1,069	130	2,082	401	1,632
Eastgate	—	—	159	28	—	—
Factoria	—	—	194	1,008	—	—
Wilburton-East Main	—	72	—	340	—	—
Downtown (Metro Center)	—	—	79	9,884	—	—
Total		***1,729***	***562***	***13,342***	***401***	***1,632***

SOURCE: PSRC 2020; BERK 2023

NOTE: SF=single-family; MF=multi-family

Displacement risk is a composite of indicators representing five elements of neighborhood displacement risks: socio-demographics, transportation qualities, neighborhood characteristics, housing, and civic engagement. The data from these five displacement indicators were compiled into a comprehensive index of displacement risk for all census tracts in the region.

Downtown

The bulk of existing housing within the center is in areas with moderate displacement risk.

BelRed

Existing housing units within BelRed are in areas of low to moderate displacement risk.

Eastgate

The bulk of existing housing within the center is in areas with moderate displacement risk.

Factoria

The bulk of existing housing within the center is in areas with moderate displacement risk.

Wilburton-East Main

The bulk of existing housing within the center is in areas with moderate displacement risk. A small number of multi-family housing is in areas of lower displacement risk.

Crossroads

Roughly 38 percent of housing within the center is in areas at a high risk of displacement. Roughly 42 percent of housing within the center is in areas with moderate displacement risk. Roughly 20 percent or relatively smaller proportion of multi-family are in areas of low displacement risk.

Access to Transit

A total of about 19,000 housing units or 30 percent of existing housing is in areas with good access to transit. Of these, about 13,000 housing units or two-thirds are within Mixed Use Centers. Housing units with access to transit within Mixed Use Centers vary as described below.

TABLE 7-4 **Housing Units with Access to Transit, by Location and Displacement Risk Level**

Transit-Proximate Areas	Lower		Moderate		Higher	
	SF	MF	SF	MF	SF	MF
BelRed	—	—	—	—	—	—
Crossroads	—	970	44	1,316	179	661
Eastgate	—	—	43	28	—	—
Factoria	—	—	89	504	—	—
Wilburton-East Main	—	—	—	306	—	—
Downtown (Metro Center)	—	—	24	8,824	—	—
Total	***—***	***970***	***200***	***10,978***	***179***	***661***

SOURCE: PSRC 2020; BERK 2023

NOTE: SF=single-family; MF=multi-family

Downtown

The bulk of the 9,963 housing units in Downtown have good access to transit since they are within a ¼ mile of the frequent transit network (or FTN), defined as frequent bus service at least every 15 minutes during the daytime and early evening.

BelRed

Existing housing units within BelRed have limited access to transit since they are not within a ¼ mile of the frequent transit network. Note that this is based on current access. As light rail opens in the future, this area will have better access to transit.

Eastgate

In total, 71 or roughly 38 percent of housing units in Eastgate have good access to transit since they are within a ¼ mile of the frequent transit network.

Factoria

In total, 593 housing units or roughly half of existing housing units in Factoria have good access to transit since they are within a ¼ mile of the frequent transit network.

Wilburton-East Main

In total, 306 housing units or 77 percent of existing housing units have good access to transit since they are within a ¼ mile of the frequent transit network.

Crossroads

In total, 3,170 housing units or 60 percent of existing housing units in Crossroads have good access to transit since they are within a ¼ mile of the frequent transit network.

NEIGHBORHOOD CENTERS

Thirteen Neighborhood Centers throughout the city complement the Mixed Use Centers with smaller, neighborhood-oriented retail and services. Bellevue's Neighborhood Centers provide goods and services to local residents and serve as important focal points and gathering spaces for the surrounding communities.

Current Housing Supply and Diversity

Defined as commercial areas, Neighborhood Centers have very little existing housing supply or diversity. Currently, fewer than 200 housing units (less than 0.5 percent of units citywide) are located within the city's Neighborhood Centers. Very few single- or multi-family homes exist in the Neighborhood Centers. The Lake Hills and Northeast Neighborhood Centers are currently the only ones with housing. Roughly 66 units within Neighborhood Centers are within a ¼ mile of the frequent transit network.

Displacement Risk

Since Neighborhood Centers are primarily commercial areas, there is very little displacement risk in adding new housing. Roughly 41 percent of housing units within Neighborhood Centers are in areas with low displacement risk, and 59 percent of existing housing in Neighborhood Centers are in areas with moderate displacement risk.

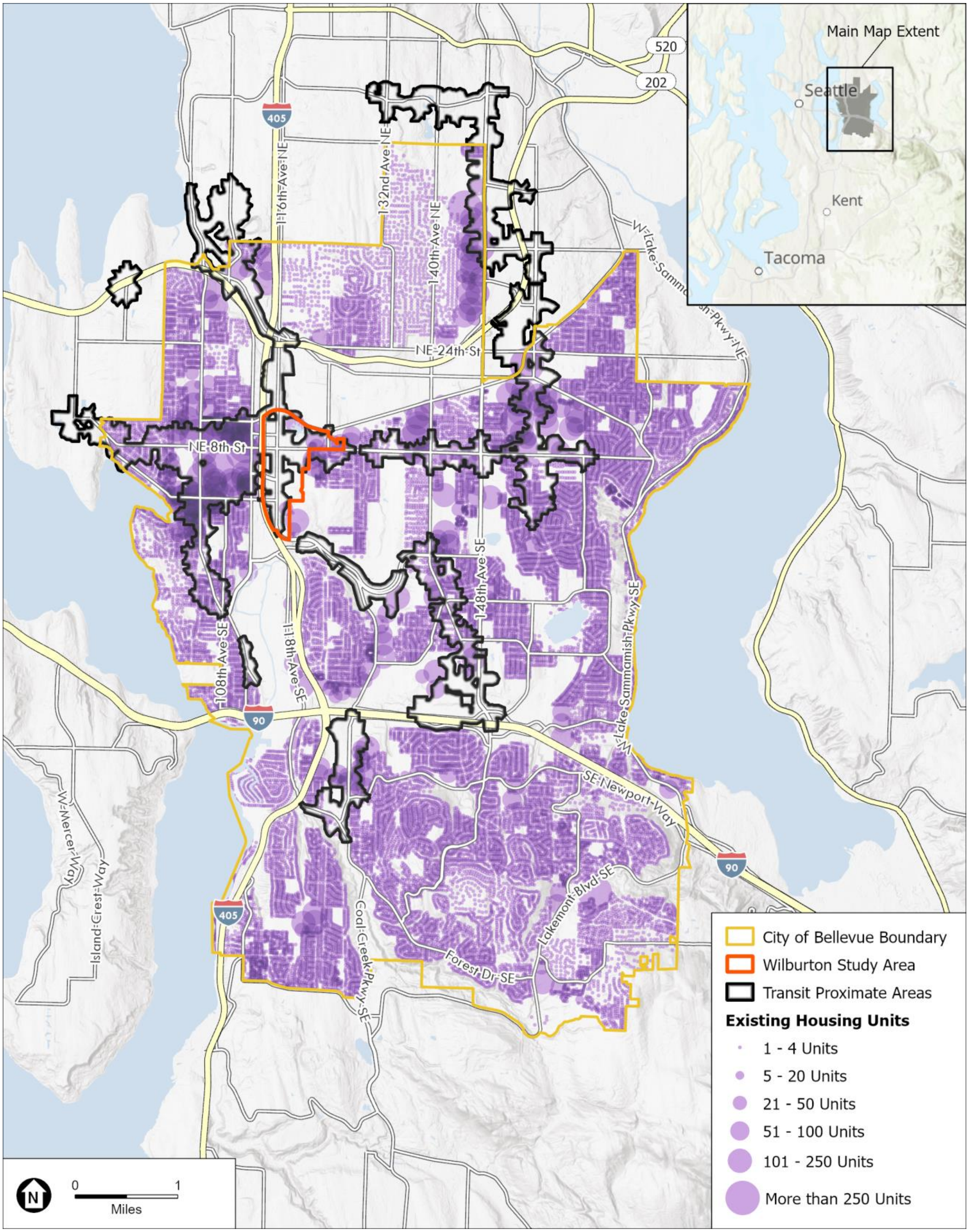
TRANSIT-PROXIMATE AREAS

Transit-proximate areas include those areas of the city within ¼ mile of the frequent transit network (defined as frequent bus service at least every 15 minutes during the daytime and early evening). These generally include most of Downtown and the Eastgate Mixed Use Centers, the NE 8th Street corridor between the western city limit and the Crossroads Mixed Use Center, Northup Way north of SR 520, Bellevue Way SE from Downtown to a little south of 112th Avenue NE, 156th Avenue NE south of the city limits to Main Street, 148th Avenue NE north of NE 40th Street, Factoria Boulevard SE between I-90 and Coal Creek Parkway SE, and from East Main to Eastgate via Lake Hills Connector and 145th Place SE. See **Figure 7-11** for a map of areas of the city that currently have good access to transit.

> **Good Access to Transit**
>
> Good access to transit is defined as frequent bus service (every 15 minutes) during the daytime and early evening.
>
> **Transit-proximate development** is a term used by planning officials to describe (potentially dense) development that is physically near a public transport node (e.g., a bus station, train station or metro station).

Current Housing Supply and Diversity

As of 2019, a little less than one-third of housing units citywide were located in transit-proximate areas (19,000 units or 30 percent of units citywide). About 39 percent of land within transit-proximate areas is residential; 23 percent is in single-family residential use and 16 percent is in multi-family residential use, yet due to its higher density, multi-family units comprise 86 percent of all housing units in transit-proximate areas.



SOURCE: City of Bellevue 2023; BERK 2023

FIGURE 7-11 **Housing Units within Transit-Proximate Areas**

Housing in the transit-proximate areas is mostly single-family or 5+ units, with the 5+ units concentrated in the areas that overlap Mixed Use Centers and the single-family elsewhere. Single-family housing in transit-proximate areas is primarily outside the designated centers, generally west and south of Downtown, between Downtown and Crossroads along the central portion of the NE 8th Street corridor, south of Crossroads along 156th Avenue NE, and north of Bellevue College along 145th Place SE.

Less than 2 percent of the land in the transit-proximate areas are devoted to 2- to 4-unit multi-family.

Affordability

Median rent in transit-proximate areas is in the $2,000 range. The Housing Needs Assessment estimated median rents that are affordable to households at two different income levels: $2,150 for households at 80 percent, and $1,345 for households at 50 percent of AMI. This is based on HUD Income Limits for a 3-person household (the equivalent of a 2-bedroom unit when assuming 1.5 people per bedroom). Based on this assessment, median rents in transit-proximate areas are affordable to households at 80 percent AMI but not at 50 percent AMI.

Displacement Risk

Roughly 5 percent of housing units within transit-proximate areas are in areas of high displacement risk. The bulk of housing units within transit-proximate areas, roughly 84 percent, are in areas with moderate risk of displacement. Roughly 12 percent of housing units within transit-proximate areas are in areas of low displacement risk. See **Table 7-5**.

TABLE 7-5 **Housing Units and Displacement Risk, by Location**

Transit-Proximate Areas	Lower		Moderate		Higher	
	SF	MF	SF	MF	SF	MF
Within ¼ mile of FTN	493	1,701	1,815	14,050	283	661
Outside ¼ mile of FTN	19,333	2,904	11,718	10,004	439	971
Total	***19,826***	***4,605***	***13,533***	***24,054***	***722***	***1,632***

SOURCE: PSRC; BERK 2023

NOTE: SF=single-family; MF=multi-family

Access to Transit

Transit-proximate areas are within ¼ mile of the frequent transit network (defined as frequent bus service at least every 15 minutes during the daytime and early evening).

WILBURTON STUDY AREA

Current Housing Supply and Diversity

The Wilburton study area currently includes a mix of single-purpose commercial and office uses, Bellevue's "auto row" with a variety of car dealerships, retail and restaurant uses, hotels, and some industrial uses. It has a limited number of multi-family residential developments, located in the east primarily along NE 8th Street, in the south along 118th Avenue SE, and in the northwest corner of Lake Bellevue. A few parcels are considered industrial uses, such as the Mutual Materials site and the Bellevue School District bus depot.

As of 2019, the Wilburton study area had a little over 400 housing units (fewer than 1 percent of units citywide), primarily multi-family housing.

Affordability

Median rents in the Wilburton study area are in the $1,700 range. The Housing Needs Assessment estimated rents that are affordable to households at two different income levels: $2,150 for households at 80 percent, and $1,345 for households at 50 percent of AMI. This is based on HUD Income Limits for a 3-person household (the equivalent of a 2-bedroom unit when assuming 1.5 people per bedroom). Based on this assessment, median rents in the Wilburton study area are not affordable to households at 50 percent AMI but are affordable to households at 80 percent AMI.

Displacement Risk

There is very little housing in the Wilburton study area, and all of this housing is at low or moderate risk of displacement.

Access to Transit

In total, 306 housing units (74 percent of existing housing) are within ¼ mile of the frequent transit network.

7.3 Potential Impacts

7.3.1 Thresholds of Significance

The following impact categories were used to identify potential adverse housing impacts in the study area:

- **Supply, diversity, and affordability:** The action would result in a decrease to the supply, diversity, or affordability of market-rate housing.
- **Displacement risk:** The action would result in increased risk for involuntary residential displacement as a result of redevelopment in areas at high risk for displacement.
- **Access to transit:** The action would result in a decreased proportion of housing within ¼ mile of the frequent transit network (defined as frequent bus service at least every 15 minutes during the daytime and early evening).

Housing impacts of the alternatives are considered significant if there is an acute/severe adverse impact within one of the impact categories defined above, or if there are cumulative housing impacts in multiple categories within one of the defined subareas.

7.3.2 Impacts Common to All Alternatives

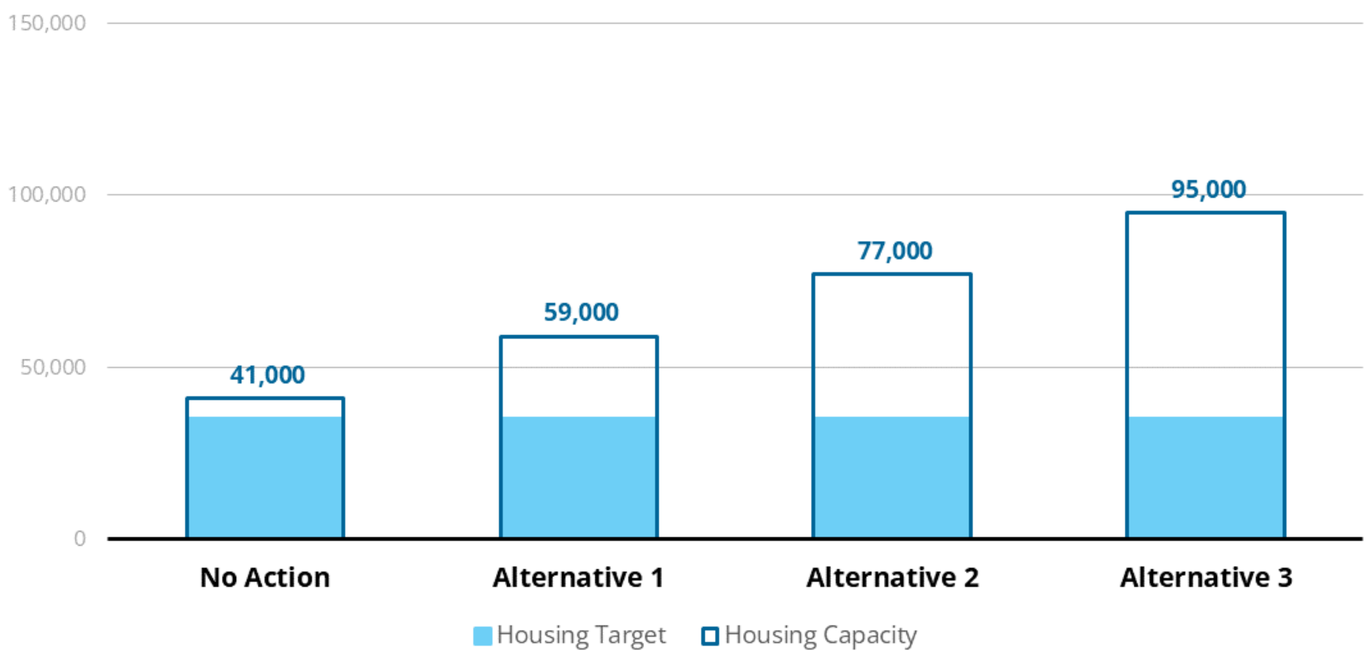
SUPPLY, DIVERSITY, AND AFFORDABILITY

Supply

Housing growth is expected to happen under all the alternatives, although the capacity for growth and the mix of housing would vary by alternative. King County's adopted CPPs establish a housing target of 35,000 for Bellevue.[1]

Housing capacity analyzed under all alternatives will support additional housing supply citywide. **Figure 7-12** summarizes the distribution of capacity for housing capacity citywide compared to the adopted targets. Citywide, the housing and job capacities analyzed under each alternative are higher than the adopted targets.

[1] Growth targets were adopted in 2019. Net capacity for growth under each of the alternatives is relative to 2019 housing and jobs. Housing and job capacity used in this EIS analysis is higher under the No Action Alternative than the capacity that was reported in King County's 2021 Urban Growth Capacity Report. See Chapter 2, *Alternatives*, and Chapter 4, *Plans and Policies*, for a discussion of why these numbers are different.



SOURCE: City of Bellevue 2023; BERK 2023

NOTE: Growth estimates are rounded to the nearest 1,000. The actual pace of growth could differ or be less than what is shown. Housing capacity used in this EIS analysis is higher under the No Action Alternative than the capacity that was reported in King County's 2021 Urban Growth Capacity Report. See Chapter 2, *Alternatives*, and Chapter 4, *Plans and Policies*, for a discussion of why these numbers are different.

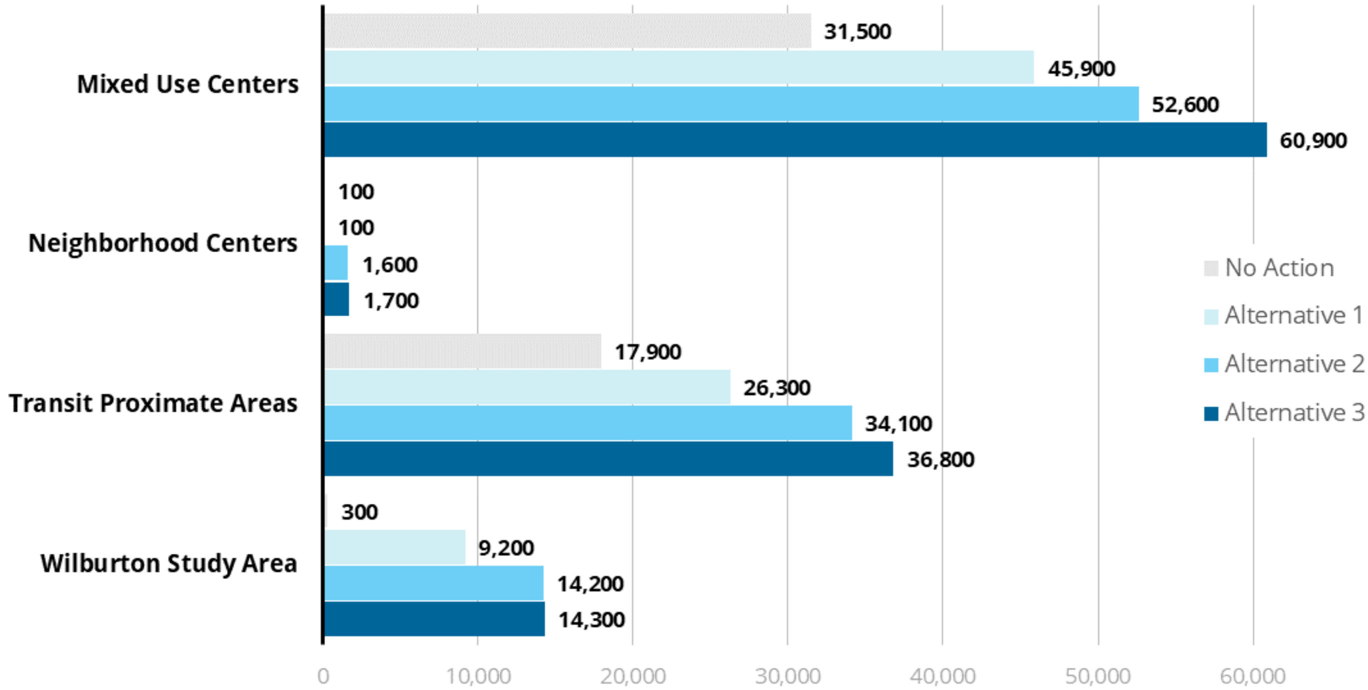
FIGURE 7-12 **Net Capacity for Housing, All Alternatives**

The primary differences between the alternatives are in the proposed geographic distribution and capacity for new housing development in various parts of the city. **Figure 7-13** summarizes capacity for new housing by specific location under each alternative. Capacity within each of the specific locations is generally lowest under the No Action Alternative and highest under Alternative 3.

Diversity

Structure Type and Unit Sizes

Housing capacity analyzed under all alternatives will result in additional housing diversity **citywide**. A wider variety of housing types would be available citywide under the Action Alternatives by expanding the number of housing typologies allowed within low-density residential areas, and by incentivizing larger, family-sized, multi-family units. Duplexes, triplexes, cottage housing, and other low-density typologies would be allowed in single-family areas under the Action



SOURCE: City of Bellevue 2023; BERK 2023

NOTE: Growth estimates are rounded to the nearest 100. The actual pace of growth could differ or be less than what is shown.

FIGURE 7-13 **Net Housing Capacity by Location (2019–2044), All Alternatives**

Alternatives. Additional density and some multi-family or mixed use buildings would be allowed in single-family areas with good access to transit under Alternatives 2 and 3, and near existing Neighborhood Centers and major employment centers under Alternative 3. The No Action Alternative, on the other hand, would focus most of the housing capacity primarily within Downtown and BelRed.

The actual pace and distribution of future housing development and changes in the housing mix would be influenced in part by the implementation of Comprehensive Plan policies, related regulations and actions, and by decisions made by individual property owners and developers.

Table 7-6 compares housing capacity by type under each alternative. A greater share of citywide housing would be shifted to multi-family housing under all alternatives.

TABLE 7-6 **Housing Capacity by Type, by Location, All Alternatives**

	No Action	SF	MF	Alt. 1	SF	MF	Alt. 2	SF	MF	Alt. 3	SF	MF
Low-Density Residential	**34,682**	89.4%	10.6%	**35,528**	87.2%	12.8%	**38,061**	81.4%	18.6%	**45,596**	67.9%	32.1%
Wilburton Study Area	**670**	0.0%	100.0%	**9,612**	0.0%	100.0%	**14,607**	0.0%	100.0%	**14,654**	0.0%	100.0%
Transit-Proximate Areas	**36,908**	6.7%	93.3%	**45,300**	5.4%	94.5%	**53,100**	4.6%	95.3%	**55,800**	4.4%	95.6%
Neighborhood Centers	**267**	0.0%	100.0%	**273**	0.0%	100.0%	**1,761**	0.0%	100.0%	**1,907**	0.0%	100.0%
Mixed Use Centers	**49,171**	1.6%	98.4%	**63,571**	1%	99%	**70,345**	1%	99%	**78,628**	1.0%	99.0%

SOURCE: PSRC; BERK 2023

NOTE: SF=single-family; MF=multi-family

Future housing capacity under all alternatives would likely increase the supply and diversity of housing, both within the Mixed Use Centers and, to a varying extent, in other areas of the city. Under the Action Alternatives, policy changes are expected to increase the amount of affordable housing, although the approaches vary.

Goals and policies in Bellevue's current Comprehensive Plan support diverse and mixed uses, including housing, in the **Mixed Use Centers** to encourage these areas as compact, livable, and walkable parts of the city. Most of the centers are or will be served by the frequent transit network by 2044. These areas currently have a mix of single-family and multi-family housing. Additional capacity for multi-family housing in these areas will increase the supply and diversity of housing and is not likely to have any impacts.

The city's **Neighborhood Centers** support smaller, neighborhood-oriented retail, provide goods and services to local residents, and serve as important focal points and gathering spaces for the surrounding communities. There is currently limited housing supply in Neighborhood Centers. Under all alternatives, housing supply and diversity would increase modestly in these areas. Increases of housing are very modest under the No Action Alternative (100 units over existing) and Alternative 1, and highest under Alternative 3 (1,700 units over existing). Additional capacity for multi-family housing in the Neighborhood Centers under all Action Alternatives would increase the supply and diversity of market-rate housing and is not anticipated to have impacts. Under the Action Alternatives, policy changes are expected to increase affordability.

Many of the existing and future **transit-proximate areas** of the city overlap with the Mixed Use and Neighborhood Centers (see the discussion above). Outside of the centers, most transit-proximate areas of the city would continue to be comprised of predominantly **low-density residential** plus a range of parks and open spaces under all alternatives. Areas zoned for low density residential would receive between 7 and 15 percent of future housing growth under all alternatives, resulting in higher potential supply and diversity of housing mix in these areas. All Alternatives add housing capacity in transit-proximate areas ranging from 17,900 units in the No Action to 36,800 units in Alternative 3. Additional capacity for multi-family housing in these areas will increase the supply and diversity of housing and is not likely to have any impacts. Under the Action Alternatives, policy changes are expected to increase affordability. The No Action Alternative does not anticipate any additional policy changes over existing and is likely to have significant adverse impacts on affordability.

Affordability

Citywide, the number of housing units affordable at any income level does not match the number of households with said income. Analysis in the Housing Needs Assessment shows that Bellevue has a deficit in the number of units affordable to households in the 30–50 percent AMI and <30 percent AMI income groups.

All alternatives anticipate increasing the amount of affordable housing, yet approaches differ. The No Action Alternative continues existing incentives for affordable housing in Downtown and BelRed. In addition, programs such as the multi-family tax exemption (MFTE), will continue, and this can increase affordable housing. The Action Alternatives include strategies over and beyond these existing conditions. In Alternative 1, mandatory inclusionary affordable housing would be required in the growth corridor, with incentives for affordable housing in other locations. In Alternative 2, voluntary inclusionary affordability would be offered in Mixed Use and Neighborhood Centers. In Alternative 3, mandatory inclusionary affordable housing would be required in Mixed Use Centers, with incentives for affordable housing in other locations.

The city would continue to offer incentives for development of affordable housing under all alternatives. Many incentives are available to developers of multi-family projects—including density bonuses, minimum parking reductions, and property tax exemptions.

Some of these currently apply anywhere multi-family development is allowed, while others are specific to certain neighborhoods and vary by location. The Action Alternatives integrate additional affordability strategies like mandatory and voluntary inclusionary housing to mitigate the impacts on affordability and supply more affordable housing overall. Alternatives 1 and 3 include a mandatory and voluntary inclusionary affordability program in the growth corridor and Mixed Use Centers, respectively, and the expansion of affordability incentives throughout the city. Studies have shown that mandatory inclusionary housing programs can be more effective at creating a larger supply of affordable housing than voluntary programs. Specific elements of program design and market factors will influence the effect of these programs in Bellevue.

However, most new market-rate housing tends to be constructed for residents at or above median income levels. The city will likely need to develop and implement targeted strategies and potential funding sources to encourage the construction of affordable housing for extremely low-income (0–30 percent AMI) and very low-income (31–50 percent AMI) households. Funding sources can include local taxes, tax incentive programs for developers, and state or federal grant programs.

While all alternatives have the potential to increase affordable housing, this potential may be lowest in the No Action Alternative as a result of its lower overall capacity for housing growth and the absence of additional strategies over existing ones to increase affordability. Additionally, the No Action Alternative constrains the capacity for development of a diversity of housing types, leading to further housing price increases. Given this, **significant adverse impacts are expected for affordability** under the No Action Alternative. Adopting policies to preserve existing affordable housing, and using targeted incentives or funding to build new affordable housing are some ways to mitigate affordability concerns as constrained housing supply escalates housing costs.

Wilburton Study Area

Under all alternatives, housing supply and diversity are likely to increase in the **Wilburton study area**. This increase is highest in Alternative 3 (14,300 units over existing) and lowest in the No Action Alternative (300 units over existing). Housing type diversity will increase with the addition of multi-family housing in all alternatives. Building heights in the Wilburton study area would also increase across the Action Alternatives, including areas with buildings up to approximately 45 stories tall, with lower building heights on the edges (ranging by alternative between 10 and 25 stories). Building heights would not change under the No Action Alternative. Housing in new, high-rise buildings will be more likely in the Action Alternatives compared to the No Action Alternative. The high cost of construction for new high-rise buildings makes it unlikely that housing in these units will be affordable unless specific strategies are in place to ensure affordability. The limited addition of housing capacity and the absence of additional strategies targeted to housing production for households below 50 percent AMI mean that **significant adverse impacts on affordability** are expected under the No Action Alternative in the Wilburton study area.

DISPLACEMENT RISK

Displacement happens when households are forced involuntarily to move out for economic or physical reasons (because of eviction, rent increases, demolition of existing housing, etc.). Rising housing costs, combined with weak tenant protections, can result in households having to involuntarily relocate to more affordable communities. While it is not possible to quantify the number of households displaced in a given year, displacement risk helps us identify those communities under pressure. Displacement can be physical, where building conditions deteriorate or where redevelopment occurs; or economic, where housing-related costs rise.

All alternatives provide capacity for new housing and include some amount of new development or redevelopment. As future development occurs, some residents may be displaced through redevelopment or priced out as land prices and rents increase (economic displacement). The addition of housing capacity in areas of high displacement within each of the specific locations is generally lowest under the No Action Alternative and highest under Alternative 3. Roughly 2,900 housing units are in areas of high displacement in the No Action Alternative compared to 4,570 housing units under Alternative 3. However, capacity numbers are presented as net increases above existing; the presumption is that current housing can be preserved or replaced and there could be additional housing above existing levels. Potential physical displacement could occur under all alternatives but may be lower in the No Action Alternative as a result of lower overall capacity for housing growth. **Table 7-7** summarizes housing growth in areas of high displacement risk by specific location under each alternative.

TABLE 7-7 **Housing Growth In Areas of High Displacement Risk by Location, All Alternatives**

	No Action	Alternative 1	Alternative 2	Alternative 3
Wilburton Study Area	0	0	0	0
Transit-Proximate Areas	953	1,580	1,799	1,807
Neighborhood Centers	0	0	0	0
Mixed Use Centers	2,537	3,390	3,952	3,962

SOURCE: City of Bellevue 2023; BERK 2023

NOTE: Some of these geographies overlap with each other.

While potential for physical residential displacement is likely lowest under the No Action Alternative as a result of lower overall capacity for growth, the lower supply overall of new housing units under the No Action Alternative also means fewer units could take advantage of current affordability incentives. Housing typologies, including potential homeownership opportunities, would also continue to be limited in single-family areas, although pressure to convert homes with lower intensity typologies could be lower as fewer typologies would be allowed in these areas. The potential for economic displacement is therefore highest under the No Action Alternative.

Outside of the Mixed Use and Neighborhood Centers and transit-proximate areas, housing units at high displacement risk are in the Lake Hills area just south of the Crossroads Mixed Use Center. About 270 units are in areas of high risk of displacement under the No Action Alternative and Alternative 1; 320 units under Alternative 2; and 440 units under Alternative 3.

Adopting policies to preserve existing affordable housing is one way to discourage and mitigate residential displacement as redevelopment occurs. Studies have found that housing preservation programs for naturally occurring affordable housing have a potentially significant impact on mitigating displacement. Strategies to increase housing production can also decrease displacement by retaining or adding to the affordable housing stock.

The Action Alternatives integrate additional anti-displacement strategies like inclusionary housing to mitigate the impacts of displacement and supply more affordable housing overall. Alternatives 1 and 3 include a mandatory inclusionary affordability program in the growth corridor and Mixed Use Centers, respectively, and the expansion of affordability incentives throughout the city. The city could also consider additional strategies to avoid or mitigate displacement, including neighborhood stabilization efforts such as rental assistance programs, foreclosure assistance programs, as well as tenant protection policies. The Crossroads Mixed Use Center shows up as an area that should be targeted for anti-displacement strategies. The No Action Alternative does not include these strategies and is likely to have significant adverse impacts.

Wilburton Study Area

All alternatives include some amount of new development or redevelopment in the Wilburton study area, although the amount of housing capacity is substantially higher under the Action Alternatives than the No Action Alternative. As future development occurs, there is potential for the limited number of housing units in existing residential buildings in the study area to be torn down or replaced with larger buildings under any of the alternatives. However, this area only has a low or moderate risk of displacement, and there are no increases to housing capacity in areas at high risk of displacement across all alternatives within the Wilburton study area.

ACCESS TO TRANSIT

All alternatives would increase housing capacity in transit-proximate areas of the city. Alternatives increase housing capacity in transit-proximate areas from the existing 30 percent to 35 percent under the No Action Alternative (36,900 housing units from 19,000 existing), 37 percent under Alternative 1, 38 percent in Alternative 2, and 35 percent in Alternative 3 (55,800 units). All of the alternatives would add housing capacity over the 35,000 housing target established by King County's CPPs. Given this, **no significant adverse impacts on access to transit are expected under any of the alternatives**.

Wilburton Study Area

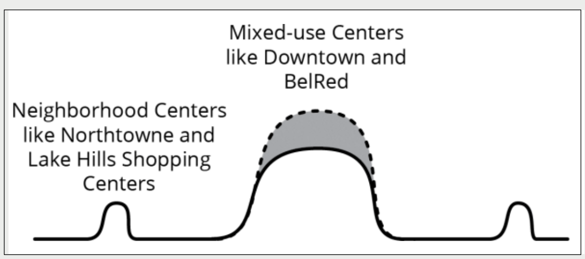
All alternatives provide capacity for new housing in transit-proximate areas of the Wilburton study area. Future housing development under all alternatives in the Wilburton study area would not likely decrease the proportion of housing within ¼ mile of the frequent transit network compared to existing conditions. **No significant adverse impacts** are expected.

7.3.3 Impacts of Alternative 0 (No Action)

SUPPLY, DIVERSITY, AND AFFORDABILITY

The No Action Alternative has the least capacity for new housing among the alternatives. It applies future growth to existing conditions using the policies and zoning that are in place today. Future housing growth under the No Action Alternative would be consistent with current plans, zoning, and development regulations. **Citywide**, Alternative 0 (No Action) would have capacity for 41,000 additional housing units (6,000 units above the 35,000 CPP housing target).[2] There would be capacity for 124,000 new jobs under this alternative, which is above the regional growth target of 70,000 jobs. Figure 7-12 compares housing and job capacity to the adopted targets. Figure 2-2, *Alternative 0 (No Action) Density of Net Housing Capacity*, maps citywide density of housing capacity under the No Action Alternative (see also Figure 7-13 for growth by location). See **Table 7-8**.

TABLE 7-8 **Alternative 0 (No Action): Distribution of Growth and Summary of Housing Strategy**

Growth Level and Pattern	Housing
Capacity for an additional 41,000 housing units (*above* 35,000 target). **FOCUS OF GROWTH:** Primarily within Downtown and BelRed. No changes to city's existing growth framework. 	**HOUSING TYPOLOGIES:** Primarily larger apartment buildings with studios and one-bedroom units, not meeting planning requirements for housing. **HOUSING AFFORDABILITY:** Voluntary inclusionary affordability incentives allow extra density to market-rate projects in exchange for affordable units, generally 5–10% of projects. **HOUSING STRATEGY:** This alternative is required as a baseline for analyzing Action Alternatives 1–3 but does not meet the city's new planning requirements, including affordable housing across income bands, or a range of housing types. It does meet the city's job target. This alternative is based on the city's current capacity for housing and jobs. The city's existing plans, policies, and regulations would continue without changes. This alternative serves as a baseline against which the other alternatives can be measured. There would be no changes to the designations on the Comprehensive Plan Land Use Map and no policy, zoning, or regulation changes.

SOURCE: City of Bellevue 2023; BERK 2023

NOTE: Housing and job growth estimates are rounded to the nearest 1,000. Commercial square footage is rounded to the nearest 100,000. The actual pace of growth could differ and be more or be less than what is shown.

[2] While housing capacity is above the adopted target, the No Action Alternative does not meet other new planning requirements, including affordable housing across income bands and a range of housing types. See Chapter 4, *Plans and Policies*.

Growth under the No Action Alternative would be consistent with recent development trends in Bellevue and housing supply and diversity impacts would be similar to those described under Section 7.3.2, *Impacts Common to All Alternatives*. Housing diversity would also continue to be limited in single-family areas. Lower housing capacity under the No Action Alternative also means fewer units could take advantage of current affordability incentives. Given the lower capacity for new housing, the limited changes in single-family areas, and the absence of new policy interventions directed toward affordability, the No Action Alternative has the least potential to increase supply, diversity, and affordability. However, the city's adopted policy framework and development regulations contain provisions meant to encourage housing supply and diversity and increase affordability. Recent development trends in Bellevue have increased the proportion of multi-family housing in the city and thereby increased its housing diversity. Even though new capacity is relatively lower in the No Action Alternative, it is higher than the King County growth target for the city. Therefore, **no significant adverse impacts** are expected with respect to housing supply and diversity under the No Action Alternative.

The No Action Alternative continues existing regulations, incentives, and programs targeted at affordability. Recent development trends have shown decreases in affordability despite these existing tools. Without additional strategies directed toward affordability, the No Action Alternative has the potential to have a **significant adverse impact on affordability**.

Wilburton Study Area

Under the No Action Alternative, the Wilburton study area would retain current policies and codes that provide minimal housing capacity (less than 1 percent of the gross citywide total). This would result in housing supply and diversity similar to existing conditions.

The city would continue to offer existing incentives for development of affordable housing under the No Action Alternative. Many incentives are available to developers of multi-family projects—including density bonuses, minimum parking reductions, and property tax exemptions. Some of these currently apply anywhere multi-family development is allowed, while others are specific to certain neighborhoods and vary by location.

DISPLACEMENT RISK

Capacity for housing under the No Action Alternative is likely consistent with recent development trends in Bellevue, and the city would continue to implement existing housing affordability and anti-displacement strategies as described under Section 7.3.2, *Impacts Common to All Alternatives*. As future development occurs, some residents may be displaced through redevelopment or priced out as land prices and rents increase. While potential residential displacement is likely lowest under the No Action Alternative as a result of lower overall capacity for growth (see Figure 7-13), the lower potential for new housing units under the No Action Alternative also means fewer units could take advantage of current affordability incentives. Relatively lower potential for additional housing supply can increase housing costs and the potential for economic displacement. Housing typologies, including potential homeownership opportunities, would also continue to be limited in single-family areas, although pressure to convert homes with lower intensity typologies could be lower as fewer typologies would be allowed in these areas. Given this, **significant adverse impacts** on displacement risk are expected under the No Action Alternative. See also Chapter 3, *Land Use Patterns and Urban Form*, and Chapter 6, *Aesthetics*.

Mixed Use Centers

The No Action Alternative would include 17,666 housing units within Mixed Use Centers. In total, 2,537, or roughly 14 percent of these housing units, would be in areas at a high risk of displacement (see **Table 7-9**). The bulk of these units (2,340) are in the Crossroads Mixed Use Center.

TABLE 7-9 **Alternative 0 (No Action): Housing Units by Displacement Risk, 2022**

Mixed Use Centers	Lower		Moderate		Higher	
	SF	MF	SF	MF	SF	MF
BelRed	—	9,522	—	—	—	—
Crossroads	—	1,473	128	2,289	197	2,340
Eastgate	—	—	159	367	—	—
Factoria	—	—	170	1,532	—	—
Wilburton-East Main	—	290	—	2,066	—	—
Downtown (Metro Center)	—	—	55	28,583	—	—
Total		***11,285***	***512***	***34,837***	***197***	***2,340***

SOURCE: PSRC; BERK 2023

NOTE: SF=single-family; MF=multi-family

Neighborhood Centers

The No Action Alternative would add capacity for roughly 300 housing units within Neighborhood Centers. None of these units are in areas at a high risk of displacement.

Transit-Proximate Areas

The No Action Alternative includes housing capacity for roughly 36,900 housing units within transit-proximate areas. Roughly 950 or 3 percent of these housing units would be in areas at a high risk of displacement (see **Table 7-10**).

TABLE 7-10 **Alternative 0 (No Action): Housing Units by Displacement Risk, 2022**

	Lower		Moderate		Higher	
	SF	MF	SF	MF	SF	MF
Within ¼ mile of FTN	497	3,119	1,831	30,508	127	826

SOURCE: PSRC; BERK 2023

NOTE: SF=single-family; MF=multi-family

Wilburton Study Area

The No Action Alternative includes a total of 670 housing units within the Wilburton study area. None of these units are in areas at a high risk of displacement.

ACCESS TO TRANSIT

Housing units with access to transit under the No Action Alternative would be consistent with recent development trends in Bellevue, and impacts would be similar to those described under Section 7.3.2, *Impacts Common to All Alternatives*. Under the No Action Alternative, about 36,900 or 35 percent of total housing units would be within a ¼ mile of the frequent transit network. This is higher than the 19,000 units or 30 percent of existing housing with this access to transit. Future housing development under the No Action Alternative would not likely decrease the proportion of housing within ¼ mile of the frequent transit network compared to existing conditions. **No significant adverse impacts** on access to transit are expected under the No Action Alternative.

Mixed Use Centers

The No Action Alternative would have capacity for 49,200 housing units in Mixed Use Centers, of which about 30,300 or 62 percent would be in areas within ¼ mile of frequent transit.

Neighborhood Centers

The No Action Alternative would add capacity totaling 300 housing units in Neighborhood Centers, of which roughly a third are within ¼ mile to frequent transit.

Transit-Proximate Areas

Thirty-five percent of the housing unit capacity in Alternative 1 are within transit-proximate areas or within ¼ mile of the frequent transit network.

Wilburton Study Area

Under the No Action Alternative, 512 of the roughly 634 units in the Wilburton study area would be within a ¼ mile of the frequent transit network. Future housing development under the No Action Alternative in the Wilburton study area would not likely increase the proportion of housing outside ¼ mile of the frequent transit network. **No significant adverse impacts** are expected on access to transit in the Wilburton study area under the No Action Alternative.

7.3.4 Impacts of Alternative 1

SUPPLY, DIVERSITY, AND AFFORDABILITY

Alternative 1 increases citywide housing capacity over the No Action Alternative. **Citywide**, Alternative 1 would have capacity for 59,000 additional housing units (18,000 above the No Action Alternative, and above the CPP housing target). Job capacity in Alternative 1 includes space for an additional 179,000 jobs, which is nearly double Bellevue's regional growth target. Figure 7-12 compares housing to the adopted targets. Figure 2-4, *Alternative 1 Density of Net Housing Capacity*, maps the citywide density of housing under Alternative 1. Also see **Table 7-11**.

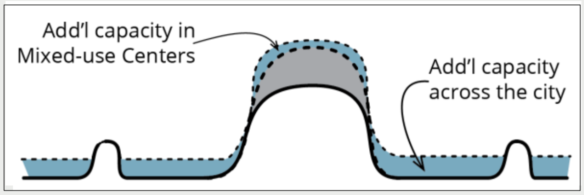
Under Alternative 1, more housing types would be offered **citywide** through incentives for larger multi-family units and mandatory inclusionary housing in the growth corridor (Downtown, East Main, Wilburton, and BelRed). Duplexes, triplexes, cottage housing, or other low-density typologies would be allowed in existing single-family areas. In BelRed, each node with its allowance of higher intensity development would be expanded to include most areas within walking distance of the light-rail stations.

This additional capacity and incentives would increase the supply and diversity of market-rate housing in the city. Alternative 1 includes additional strategies for affordability. These include mandatory inclusionary affordability alongside additional capacity in the growth corridor (Downtown, East Main, Wilburton, and BelRed), and increased incentives elsewhere to meet affordability targets.

Impacts on housing supply, diversity, and affordability for Alternative 1 in the **Mixed Use Centers, Neighborhood Centers**, and **transit-proximate areas** of the city that overlap the centers would be similar to those described under Section 7.3.2, *Impacts Common to All Alternatives*.

A smaller percentage of citywide housing growth would occur in low-density residential areas of the city under Alternative 1 than the No Action Alternative (8 versus 9 percent), although overall capacity in these areas would increase by about 800 units. Alternative 1 also includes policies allowing a greater diversity of low-density housing types throughout the city, such as duplexes, triplexes, and cottage housing. As a result, Alternative 1 would likely result in a wider variety of housing options compared to the No Action Alternative in areas comprised primarily of **low-density residential** (generally outside of the Mixed Use and Neighborhood Centers).

TABLE 7-11 **Alternative 1: Distribution of Growth and Summary of Housing Strategy**

Growth Level and Pattern	Housing
Capacity for an additional 59,000 housing units (*above* 35,000 target). **FOCUS OF GROWTH:** Primarily in Mixed Use Centers (Downtown, BelRed, Wilburton-East Main, Crossroads, Factoria, Eastgate). Gentle density added across the city. 	**HOUSING TYPOLOGIES:** Incentives for larger units in Mixed Use Centers provide additional two-bedroom and larger units. Duplexes, cottage housing, and other low-density typologies are permitted across the city. **HOUSING AFFORDABILITY:** Mandatory inclusionary affordability alongside additional capacity in growth corridor (Downtown, East Main, Wilburton, and BelRed); increased incentives elsewhere to meet affordability targets. **HOUSING STRATEGY:** Focus additional residential density including mixed use growth on **Mixed Use Centers**, including the areas of existing capacity in Downtown, East Main, and BelRed and with a renewed focus on Wilburton, Crossroads, Eastgate, and Factoria. Because focusing on the existing denser Mixed Use Centers does not provide a variety of housing types and affordability levels, additional policies would be adopted to support housing choice and diversity. Policies encouraging **more family-sized housing** in these Mixed Use Centers would be paired with policies allowing a greater diversity of **low-density housing types throughout the city**. This approach includes the smallest number of new housing units and the least diversity of housing types produced, so it is paired with **strong affordable housing policies** to meet state/county requirements. These include a mandatory inclusionary affordability program in the growth corridor and the expansion of affordability incentives throughout the city. This alternative would modestly expand the extent of multimodal transportation investments to accommodate new growth, particularly within the Mixed Use Centers.

SOURCE: City of Bellevue 2023; BERK 2023

NOTE: Housing and job growth estimates are rounded to the nearest 1,000. Commercial square footage is rounded to the nearest 100,000. The actual pace of growth could differ or be less than what is shown.

Wilburton Study Area

Alternative 1 would add significant capacity for housing in the **Wilburton study area**, with an estimated capacity for an additional 9,200 housing units. This is approximately 8,900 housing units above the No Action Alternative.

Under Alternative 1, housing capacity would be focused in the core of the Wilburton study area, around the intersection of the Eastrail and Grand Connection south of the Wilburton Light Rail Station.

Alternative 1 would allow for higher density residential in a mixed use node within the core. It would allow primarily lower density residential development in areas east and west of 124th Avenue NE, and in the area south of NE 4th Street and east of Eastrail.

DISPLACEMENT RISK

Potential displacement is likely higher under Alternative 1 than the No Action Alternative because of increased overall capacity for growth (see Figure 7-13) and expanded housing densities and typologies in some parts of the city.

Under Alternative 1, the city would continue to implement existing housing affordability and anti-displacement strategies as described under Section 7.3.2, *Impacts Common to All Alternatives*. Alternative 1 also includes mandatory inclusionary affordability policies in the growth corridor (Downtown, East Main, Wilburton, and BelRed) and increased incentives elsewhere to meet affordability targets. Compared to the No Action Alternative, Alternative 1 has capacity for more housing units overall and within the Mixed Use Centers and transit-proximate areas of the city (see Figure 7-13). As a result, more new housing would either be required to or could take advantage of the existing and new affordability and anti-displacement strategies. Additional low-density typologies like duplexes, cottage housing, and triplexes allowed in single-family areas of the city may also improve affordable homeownership opportunities. All of these measures combined could result in a net gain in affordable housing even though displacement risks are higher.

Mixed Use Centers

About 3,200 multi-family units and 200 single-family units in the Crossroads Mixed Use Center would be in areas at high risk of displacement under Alternative 1 (see **Table 7-12**).

TABLE 7-12 **Alternative 1: Housing Units by Displacement Risk, 2022**

Mixed Use Centers	Lower		Moderate		Higher	
	SF	MF	SF	MF	SF	MF
BelRed	—	10,744	—	—	—	—
Crossroads	—	1,462	128	2,349	197	3,193
Eastgate	—	—	159	466	—	—
Factoria	—	—	170	2,367	—	—
Wilburton-East Main	—	623	—	10,664	—	—
Downtown (Metro Center)	—	—	55	30,958	—	—
Total	—	***12,829***	***512***	***46,804***	***197***	***3,193***

NOTE: SF=single-family; MF=multi-family

Neighborhood Centers

Alternative 1 includes a total of 273 housing units within Neighborhood Centers. None of these units are in areas at a high risk of displacement.

Transit-Proximate Areas

Alternative 1 would include roughly 45,300 housing units within transit-proximate areas. Roughly 1,580 or 3 percent of these housing units would be in areas at a high risk of displacement.

Wilburton Study Area

Housing growth in the **Wilburton study area** would be substantially higher under Alternative 1 than the No Action Alternative. However, no housing units are expected in areas within the area at a high risk of displacement (see Section 7.3.2, *Impacts Common to All Alternatives*).

ACCESS TO TRANSIT

Impacts on access to transit under Alternative 1 would be similar to those described under Section 7.3.2, *Impacts Common to All Alternatives*. Under Alternative 1, about 45,300 or 37 percent of total housing units would be within a ¼ mile of the frequent transit network. This is higher than the 19,000 units or 30 percent of existing housing with this access to transit. Future housing development under Alternative 1 would not likely decrease the proportion of housing within ¼ mile of the frequent transit network compared to existing conditions. **No significant adverse impacts** on access to transit are expected under Alternative 1.

Mixed Use Centers

Alternative 1 would have capacity for about 63,600 housing units over existing housing units in Mixed Use Centers, of which 38,600 or about 60 percent are within ¼ mile to frequent transit.

Neighborhood Centers

Alternative 1 would have capacity for 300 housing units over existing housing units in Neighborhood Centers, of which about 100 are within ¼ mile of frequent transit.

Transit-Proximate Areas

In total, 45,300 or 37 percent of the housing units in this alternative are within transit-proximate areas or within ¼ mile of the frequent transit network.

Wilburton Study Area

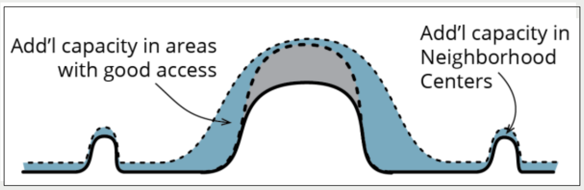
Alternative 1 would have capacity for 9,600 housing units in the Wilburton study area, of which 5,800 or 63 percent are within ¼ mile of frequent transit. Future housing development under Alternative 1 in the Wilburton study area would not likely decrease the proportion of housing within ¼ mile of the frequent transit network compared to existing conditions. **No significant adverse impacts** on access to transit are expected under the No Action Alternative.

7.3.5 Impacts of Alternative 2

SUPPLY, DIVERSITY, AND AFFORDABILITY

Housing capacity under Alternative 2 is similar to Alternative 1 but distributes more housing growth to areas of the city with good access to transit and jobs and within existing Neighborhood Centers. **Citywide**, Alternative 2 would have capacity for 77,000 additional housing units (36,000 above the No Action Alternative, and <u>above</u> the CPP housing target) and space for an additional 177,000 jobs (53,000 above the No Action Alternative, and <u>above</u> the CPP job target). This is approximately 36,000 housing units above the No Action Alternative. Figure 7-12 compares housing capacity to the adopted targets. See **Table 7-13**.

TABLE 7-13 **Alternative 2: Distribution of Growth and Summary of Housing Strategy**

Growth Level and Pattern	Housing Approach
Capacity for an additional 77,000 housing units. **FOCUS OF GROWTH:** Both in Mixed Use Centers and in areas with good access to transit/jobs. 	**HOUSING TYPOLOGIES:** Typologies like townhomes or small apartment buildings in areas with good transit access, duplexes, or other low-density typologies in existing denser single-family areas. Apartment buildings with studios and one-bedrooms in Mixed Use and Neighborhood Centers. Housing Affordability: Tiered voluntary inclusionary affordability alongside additional capacity in Mixed Use and Neighborhood Centers, increased incentives elsewhere to meet affordability targets. **HOUSING STRATEGY:** In addition to adding housing in Mixed Use Centers with existing capacity, expand middle-scale housing in **areas with good access to transit or jobs**. These areas have high demand today, often causing teardown-rebuilds of single-family housing. Additionally, this alternative provides a denser **mix of uses including housing within existing Neighborhood Centers**. This density could extend further along and near the transit-rich arterials running through these areas as well. Additional investments in multimodal transportation capacity in these areas (improved access to transit, targeted traffic congestion relief, low-stress bicycle, and pedestrian facilities, etc.) would accompany the higher density development. Because a variety of typologies are achieved using the above approaches, this alternative examines **low-density housing options in existing denser single-family** areas across the rest of the city. The variety of housing produced in this alternative will provide middle-income (80–120% AMI) housing of a variety of types, but **deeper affordability** will still be required to achieve a majority of new units that are affordable <80% AMI. A tiered voluntary inclusionary affordability program is included in Mixed Use Centers and in Neighborhood Centers, while voluntary affordability incentives are available across the city.

SOURCE: City of Bellevue 2023; BERK 2023

NOTE: Housing and job growth estimates are rounded to the nearest 1,000. Commercial square footage is rounded to the nearest 100,000. The actual pace of growth could differ or be less than what is shown.

Most of the additional housing under Alternative 2 would be added in the Mixed Use Centers, including significant capacity added in the Wilburton study area (see below) and more node expansion and increased density around the Spring District/120th and Bel-Red/130th Light Rail Stations in BelRed than Alternative 1.

Alternative 2 also expands middle-scale housing in areas of the city with good access to transit and jobs. This includes additional capacity for small apartment buildings and mixed use buildings near **Neighborhood Centers** and transit and along arterials, increased allowable densities in all existing multi-family areas, and an increased range of allowable housing types in single-family areas with good access to transit. As a result, a slightly higher percentage of citywide housing would be located in the Neighborhood Centers compared to the No Action Alternative or Alternative 1 (see Table 7-6). The intensity and mix of uses in the Neighborhood Centers would shift as infill development and redevelopment occur to reflect a more mixed use development pattern.

Alternative 2 includes additional strategies for affordability. These include tiered voluntary inclusionary affordability alongside additional capacity in Mixed Use and Neighborhood Centers, and increased incentives elsewhere to meet affordability targets.

Like Alternative 1, Alternative 2 also includes policies allowing a greater diversity of low-density housing types throughout the city. As described for Alternative 1, there would be no impacts on housing supply, diversity, and affordability since these changes in **low-density residential** would not likely decrease the supply, diversity, or affordability of market-rate housing. A similar percentage of citywide housing growth would occur in low-density residential areas of the city under Alternative 2 as compared to the No Action Alternative (9 percent), although overall capacity in these areas would increase by about 3,400 units.

Wilburton Study Area

Compared to Alternative 1, Alternative 2 includes more capacity for housing in the **Wilburton study area** and a significant increase over the No Action Alternative. Alternative 2 includes estimated capacity for an additional 14,200 housing units. This is approximately 13,900 housing units above the No Action Alternative and 5,000 units over Alternative 1.

Alternative 2 would spread housing capacity more evenly across the Wilburton study area compared to Alternative 1. Alternative 2 designates more area for residential use and a mix of higher density residential, office, and other commercial uses would be allowed along the east side of 116th Avenue NE and south of NE 8th Street. Primarily medium intensity residential uses would be allowed east of Eastrail, with some higher intensity residential uses adjacent to Eastrail.

As described under Alternative 1, there would be **no impacts** on housing supply, diversity, and affordability since these changes in the study area would not likely decrease the supply, diversity, or affordability of market-rate housing.

DISPLACEMENT RISK

Potential displacement is likely higher under Alternative 2 than Alternative 1 because of increased overall capacity for growth. Residential displacement risks would be similar to those described for Alternative 1. Compared to Alternative 1, Alternative 2 has capacity for more housing units overall and within specific locations but includes voluntary inclusionary affordability policies in the Mixed Use and Neighborhood Centers. Alternative 2 also expands middle-scale housing in areas with good access to transit or jobs. These areas have high demand today, often causing teardown-rebuilds of older existing housing—redevelopment in these areas would likely continue under Alternative 2 but would result in more varied and affordable housing options than the No Action Alternative or Alternative 1.

Mixed Use Centers

About 3,750 multi-family units and 200 single-family units in the Crossroads Mixed Use Center would be in areas at high risk of displacement under Alternative 2 (see **Table 7-14**). This is slightly higher than in Alternative 1.

TABLE 7-14 **Alternative 2: Housing Units by Displacement Risk, 2022**

	Lower		Moderate		Higher	
Mixed Use Centers	**SF**	**MF**	**SF**	**MF**	**SF**	**MF**
BelRed	—	10,711	—	—	—	—
Crossroads	—	1,462	128	2,756	197	3,755
Eastgate	—	—	159	649	—	—
Factoria	—	—	170	3,027	—	—
Wilburton-East Main	—	1,358	—	14,960	—	—
Downtown (Metro Center)	—	—	55	30,958	—	—
Total		***13,531***	***512***	***52,350***	***197***	***3,755***

NOTE: SF=single-family; MF=multi-family

Neighborhood Centers

No housing units in Neighborhood Centers would be in areas at high risk of displacement under Alternative 2.

Transit-Proximate Areas

Roughly 1,670 multi-family units and 120 single-family units would at a high risk of displacement in transit-proximate areas under this alternative (**Table 7-15**).

TABLE 7-15 **Alternative 2: Housing Units by Displacement Risk in Transit-Proximate Areas, 2022**

Transit-Proximate Areas	Lower		Moderate		Higher	
	SF	MF	SF	MF	SF	MF
Within ¼ mile of FTN	491	5,089	1,813	43,868	127	1,672
Total	***491***	***5,089***	***1,813***	***43,868***	***127***	***1,672***

NOTE: SF=single-family; MF=multi-family

Wilburton Study Area

No housing units are expected in areas within the area at a high risk of displacement.

ACCESS TO TRANSIT

Housing units with access to transit under Alternative 2 would be consistent with recent development trends in Bellevue, and impacts would be similar to those described under Section 7.3.2, *Impacts Common to All Alternatives*. Under Alternative 2, about 53,100 or 38 percent of total housing units would be within a ¼ mile of the frequent transit network. This is higher than the 19,000 or 30 percent of existing housing with this access to transit. Future housing development under Alternative 2 would not likely decrease the proportion of housing within ¼ mile of the frequent transit network compared to existing conditions. **No significant adverse impacts** on access to transit are expected under Alternative 2.

Mixed Use Centers

Alternative 2 would have capacity for about 70,300 housing units housing units in Mixed Use Centers, of which 43,140 or about 61 percent are within ¼ mile of frequent transit.

Neighborhood Centers

Alternative 1 would have capacity for 1,800 housing units housing units in Neighborhood Centers, of which about 700 or 39 percent are within ¼ mile of frequent transit.

Transit-Proximate Areas

In total, 53,100 or 38 percent of the housing units in Alternative 2 are within transit-proximate areas or within ¼ mile of the frequent transit network.

Wilburton Study Area

Alternative 2 would have capacity for 14,600 housing units in the Wilburton study area, of which 9,620 or 66 percent are within ¼ mile of frequent transit. Future housing development under Alternative 2 in the Wilburton study area is not likely to decrease the proportion of housing within ¼ mile of the frequent transit network compared to existing conditions. **No significant adverse impacts** on access to transit are expected in the Wilburton study area under Alternative 2.

7.3.6 Impacts of Alternative 3

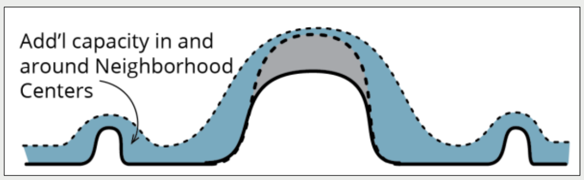
SUPPLY, DIVERSITY, AND AFFORDABILITY

Housing capacity is highest under Alternative 3. **Citywide**, Alternative 3 would have capacity for 95,000 additional housing units (54,000 above the No Action Alternative, and <u>above</u> the CPP housing target) and space for an additional 200,000 jobs (76,000 above the No Action Alternative, and <u>above</u> the CPP job target). Figure 7-12 compares housing capacity to the adopted targets. See **Table 7-16**.

Impacts for housing supply, diversity, and affordability under Alternative 3 in the **Mixed Use Centers** and **transit-proximate areas** of the city that overlap the centers would be similar to those described under Section 7.3.2, *Impacts Common to All Alternatives*.

Compared to Alternative 2, Alternative 3 adds more capacity for housing types like small apartment buildings and mixed use buildings within walking distance of Neighborhood Centers (including along arterials that go through them) and allows small apartment buildings and similar-scale residential buildings close to major employment nodes like Downtown. Alternative 3 also includes policies allowing a greater diversity of low-density housing types throughout the city (like the other Action Alternatives). As a result, a slightly higher percentage of citywide housing would be located in the Neighborhood Centers compared to the other alternatives (see Table 7-6). The intensity and mix of uses in the **Neighborhood Centers** and **near major employment centers** would shift as infill development and redevelopment occur to reflect a more mixed use development pattern.

TABLE 7-16 **Alternative 3: Distribution of Growth and Summary of Housing Strategy**

Growth Level and Pattern	Housing
Capacity for an additional 95,000 housing units. **FOCUS OF GROWTH:** In Mixed Use Centers, in areas of high opportunity (good access to transit/jobs or near Neighborhood Centers).  	**HOUSING TYPOLOGIES:** Typologies like townhomes or small apartment buildings in areas with good transit access and around Neighborhood Centers; duplexes or other low-density typologies permitted across the city. Larger apartment buildings with studios and one-bedrooms in Mixed Use Centers. **HOUSING AFFORDABILITY:** Mandatory inclusionary affordability alongside additional capacity in Mixed Use Centers; increased incentives elsewhere to meet affordability targets. **HOUSING STRATEGY:** In addition to the growth concepts in Alternative 2 adding housing in Mixed Use Centers, in areas with good access to transit or jobs, and on larger sites across the city, expand housing capacity **in and near Neighborhood Centers** (commercial areas within predominantly residential areas of the city). This alternative also encourages the **creation of new Neighborhood Centers** in areas that currently lack access to essential services within a short distance. This density could extend farther along and near the transit-rich arterials running through these areas as well. Similar to Alternative 2, this alternative would also include more extensive multimodal transportation investments in these areas of higher proposed densities. This alternative focuses on equitably providing **middle-scale housing** in areas of high opportunity across the city. A large variety of middle-scale types will focus on areas of high demand while a smaller variety is available across the rest of the city. The variety of housing produced above will provide middle-income housing (80–120% AMI), but **deeper affordability** will still be required to achieve a majority of new units that are affordable <80% AMI. A mandatory inclusionary affordability program is included in Mixed Use Centers, while voluntary affordability incentives are expanded throughout the city.

SOURCE: City of Bellevue 2023; BERK 2023

NOTE: Housing and job growth estimates are rounded to the nearest 1,000. Commercial square footage is rounded to the nearest 100,000. The actual pace of growth could differ or be less than what is shown.

Alternative 3 also increases allowed density in the lowest density areas of the city. As a result, a slightly higher percentage of citywide housing would be located in low-density residential areas compared to Alternative 2 (see Table 7-6). Overall, a greater percentage of citywide housing growth would occur in low-density residential areas of the city under Alternative 3 than any of the other alternatives (15 percent), and overall capacity in these areas would increase by about 10,900 units. **No impacts** on housing supply, diversity, or affordability are expected under Alternative 3 since these changes in **low-density residential** areas would not likely decrease the supply, diversity, or affordability of market-rate housing.

Alternative 3 includes additional strategies for affordability. These include mandatory inclusionary affordability alongside additional capacity in Mixed Use Centers, and increased incentives elsewhere to meet affordable housing needs.

Wilburton Study Area

Alternative 3 includes the greatest housing capacity in the **Wilburton study area**, with an estimated capacity for an additional 14,300 housing units. This is approximately 14,000 housing units above the No Action Alternative.

Under Alternative 3, the **Wilburton study area** would focus housing capacity in the core of the study area like Alternative 1, as well as in mixed use nodes throughout the study area. Alternative 3 would allow for a mix of higher density residential across the study area. Primarily medium density residential uses would be allowed east of 124th Avenue NE, around Lake Bellevue, and along 118th Avenue SE and NE 1st Street.

DISPLACEMENT RISK

Potential residential displacement is likely highest under Alternative 3 as a result of the highest overall capacity for housing growth (see Figure 7-13).

Residential displacement risks would be similar to those described for Alternative 2. Compared to Alternative 2, Alternative 3 has capacity for more housing units overall and within specific locations (see Figure 7-13) but includes mandatory inclusionary affordability policies in the Mixed Use Centers. Alternative 3 also expands middle-scale housing near Neighborhood Centers (not just within them), encourages the creation of new Neighborhood Centers, and increases allowed density in the lowest density areas of the city. As a result, Alternative 3 would likely result in the largest net gain in affordable housing even though displacement risks are greatest.

Mixed Use Centers

Similar to Alternative 2, about 3,750 multi-family units and 200 single-family units in the Crossroads Mixed Use Center would be in areas at high risk of displacement under Alternative 3 (see **Table 7-17**). This is similar to the proportion of units in areas of high displacement risk in Mixed Use Centers in Alternative 2.

TABLE 7-17 **Alternative 3: Housing Units by Displacement Risk, 2022**

Mixed Use Centers	Lower		Moderate		Higher	
	SF	MF	SF	MF	SF	MF
BelRed	—	17,501	—	—	—	—
Crossroads	—	1,576	128	2,764	197	3,765
Eastgate	—	—	159	651	—	—
Factoria	—	—	170	3,877	—	—
Wilburton-East Main	—	2,547	—	13,895	—	—
Downtown (Metro Center)	—	—	55	31,343	—	—
Total	—	***21,624***	***512***	***52,530***	***197***	***3,765***

NOTE: SF=single-family; MF=multi-family

Neighborhood Centers

Similar to Alternative 2, none of the housing units within the Neighborhood Centers would be in areas at high risk of displacement under Alternative 3 (see **Table 7-18**).

TABLE 7-18 **Alternative 3: Housing Units by Displacement Risk in Transit-Proximate Areas, 2022**

Transit-Proximate Areas	Lower		Moderate		Higher	
	SF	MF	SF	MF	SF	MF
Within ¼ mile of FTN	491	6,750	1,813	44,891	127	1,680
Total	***491***	***6,750***	***1,813***	***44,891***	***127***	***1,680***

NOTE: SF=single-family; MF=multi-family

Transit-Proximate Areas

Roughly 1,680 multi-family units and 130 single-family units would be at a high risk of displacement in transit-proximate areas under this alternative.

Wilburton Study Area

No housing units in the Wilburton study area would be in areas at high risk of displacement under this Alternative.

ACCESS TO TRANSIT

Housing units with access to transit under Alternative 3 would be consistent with recent development trends in Bellevue, and impacts would be similar to those described under Section 7.3.2, *Impacts Common to All Alternatives*. Under Alternative 3, about 55,800 or 35 percent of total housing units would be within a ¼ mile of the frequent transit network. This is higher than the 19,000 or 30 percent of existing housing with this access to transit. Future housing development under Alternative 3 would not likely decrease the proportion of housing within ¼ mile of the frequent transit network compared to existing conditions. **No significant adverse impacts** on access to transit are expected under Alternative 3.

Mixed Use Centers

Alternative 3 would have capacity for 78,600 housing units in Mixed Use Centers, of which about 45,600 units would in areas within ¼ mile of frequent transit.

Neighborhood Centers

Alternative 3 would have capacity for 1,900 housing units in Neighborhood Centers, of which roughly 760 or 40 percent are within ¼ mile of frequent transit.

Transit-Proximate Areas

In total, 35 percent of the housing unit capacity in Alternative 3 are within transit-proximate areas or within ¼ mile of the frequent transit network.

Wilburton Study Area

Under Alternative 3, 10,400 or 71 percent of the roughly 14,700 units in the Wilburton study area would be within a ¼ mile of the frequent transit network. Future housing development under Alternative 3 in the Wilburton study area would not likely decrease the proportion of housing within ¼ mile of the frequent transit network compared to existing conditions. **No significant adverse impacts** on access to transit in the Wilburton study area are expected under Alternative 3.

7.3.7 Summary of Impacts

Table 7-19 summarizes and compares adverse housing impacts under each of the alternatives.

TABLE 7-19 **Summary of Housing Impacts by Alternative**

Impact Threshold	No Action	Alternative 1	Alternative 2	Alternative 3
Supply, Diversity and Affordability	▼	△	△	△
Residential Displacement	▼	△	△	△
Access to Transit	▲	▲	▲	▲

SOURCE: BERK 2023.

NOTES: Housing impacts are considered either adverse (▼), moderately adverse (▽), moderately positive (△), or positive (▲).

All alternatives would add capacity over the allocated growth target, add housing diversity, and include incentives/requirements for affordable housing. These capacity increases and policy changes establish readiness conditions that can increase housing production and diversity overall and improve affordability. Funding gaps and limitations for affordable housing production for households below 80 percent AMI and any unknown barriers to housing development from the market mean that housing production in response still remains uncertain.

As future development occurs, some residents may be displaced through redevelopment or priced out as land prices and rents increase. While potential residential displacement is likely lowest under the No Action Alternative as a result of its lower overall capacity for growth, the lower supply overall of new housing units under the No Action Alternative also means that fewer units could take advantage of current affordability incentives. Relatively lower potential for additional housing supply can increase housing costs and the potential for economic displacement under this alternative. Housing typologies, including potential homeownership opportunities, would also continue to be limited in single-family areas, although pressure to convert homes with lower intensity typologies could be lower as fewer typologies would be allowed in these areas.

Adopting policies to preserve existing affordable housing is one way to discourage and mitigate residential displacement as redevelopment occurs. The Action Alternatives integrate additional anti-displacement strategies like inclusionary housing to mitigate the impacts of displacement and supply more affordable housing overall. Alternatives 1 and 3 include a mandatory inclusionary affordability program in the growth corridor and Mixed Use Centers, respectively, and the expansion of affordability incentives throughout the city. The No Action Alternative does not include these strategies and would likely have significant adverse impacts. Impacts of the Action Alternatives can be mitigated through additional anti-displacement strategies. However, the response to incentives and requirements for affordable housing in the Action Alternatives would need to create enough housing production to outweigh the greater potential for displacement caused by the growth anticipated in the alternatives so a moderately adverse impact is anticipated.

7.4 Avoidance, Minimization, and Mitigation Measures

7.4.1 Incorporated Plan Features

The Action Alternatives increase housing capacity citywide above the adopted target. The Action Alternatives also allow additional housing in parts of BelRed and the Wilburton study area, with particular focus in the light-rail station areas.

A wider variety of housing types would be available citywide under the Action Alternatives via expanded allowed housing typologies and incentives such as larger units and inclusionary housing. Duplexes, triplexes, cottage housing, and other low-density typologies would be allowed in single-family areas under the Action Alternatives. Additional density and some multi-family or mixed use buildings would be allowed in single-family areas with good access to transit under Alternatives 2 and 3 and near existing Neighborhood Centers and major employment centers under Alternative 3.

The city would continue to offer incentives for development of affordable housing under all alternatives. Many incentives are available to developers of multi-family projects—including density bonuses, minimum parking reductions, and property tax exemptions. Some of these currently apply anywhere multi-family development is allowed, while others are specific to certain neighborhoods and vary by location. The Action Alternatives integrate additional affordability strategies like inclusionary housing to mitigate the impacts on affordability and supply more affordable housing overall. Alternatives 1 and 3 include a mandatory inclusionary affordability program in the growth corridor and Mixed Use Centers, respectively, and the expansion of affordability incentives throughout the city.

While it is impossible to avoid all involuntary displacement, housing affordability and choice throughout the city would be greater under the Action Alternatives than the No Action Alternative (with the widest variety of options throughout the city under Alternative 3), thus reducing the risk of involuntary residential displacement.

The Action Alternatives increase housing capacity citywide in areas with good access to transit.

7.4.2 Regulations and Commitments

Bellevue has a variety of its own programs and partnerships through which it can fund the development of diverse housing types such as accessory dwelling units (ADUs) and multi-family housing. The city also has some existing programs to encourage more affordable housing.

CITY OF BELLEVUE PROGRAMS

Currently in Bellevue, development incentives are primarily utilized for creating multi-family projects, including density bonuses, minimum parking reductions, and property tax exemptions. Some additional incentives are offered for development in certain neighborhoods.

Location-Specific Density Bonuses

Bellevue offers density bonuses in specific neighborhoods, which include the following neighborhoods, affordability requirement, and the share of affordability of a development if the density bonus is maximized.

- **Downtown.** Requires 1 square foot of affordable housing for every 2.5 square feet of market-rate units (28.6 percent affordable).
- **BelRed.** Requires 1 square foot of affordable housing for either every 4.6 square feet of market-rate rentals (17.85 percent affordable) or 7.2 square feet of market-rate owner-occupied units (12.2 percent affordable).

- **Eastgate Transit Oriented Development District and Neighborhood Mixed Use Districts.** At least one affordable unit for every 2.5 market-rate units (28.6 percent affordable).
- **East Main Transit Oriented District.** Amenity incentive systems require development to earn 80 percent of incentive bonus through affordable housing (75 percent for nonresidential development). Provision of affordable housing earns development 3.2 bonus square feet per 1 square foot of affordable housing.

Density Bonus (15 Percent Program)

In addition to neighborhood-specific bonuses, the city offers a density bonus of up to 15 percent above existing density limits with the inclusion of affordable units. For each affordable unit proposed, one additional market-rate unit is allowed up to the 15 percent of existing density threshold. Since 1996, this program has resulted in 95 units affordable at 80 percent AMI.

C-1 Affordable Housing Density Bonus

In 2021, the City Council amended the Land Use Code through adoption of the C-1, Phase 1, Affordable Housing Density Bonus, which establishes up to 50 percent density bonus for permanent affordable housing on certain land owned by religious organizations, nonprofit organizations, or public entities.

Increased Affordable Housing Capacity on Faith-Owned Properties

For the next phase of the C-1 legislative program, the city can establish criteria and procedures for certain properties owned by religious organizations and located in single-family land use districts to be rezoned to permit permanently affordable multi-family housing on qualifying properties. Already, cities and counties under GMA must allow an increased density bonus on religious properties for any affordable single-family and multi-family housing (RCW 36.70A.545), and the city has met this GMA requirement through the C-1, Phase 1, Land Use Code Amendment noted above. The city is currently working on additional amendments to the Land Use Code in connection with the C-1, Phase 2, legislative program in order to implement recent changes to the Comprehensive Plan and provide for rezoning/increased capacity on certain faith-owned properties proposing 100 percent affordable housing.

Micro-apartments

The city is processing amendments to the Land Use Code to remove barriers to the construction of micro-apartments. Micro-apartments are typically 200–400 square feet in size and include a living/bedroom area, bathroom, and kitchen. These apartments appeal to students, young professionals, people just moving to Bellevue, and individuals without children. Micro-apartments can provide more housing choices in Bellevue and an opportunity to diversify the city's housing stock. Additionally, micro-apartments create lower cost units due to their small size.

FAR Increase

The city is currently working on amendments to the Land Use Code in two phases to allow higher Floor Area Ratio (FAR) or density for certain residential uses to incentivize residential over commercial development. Phase 1 includes a temporary interim official control (IOC) intended to increase the production of residential units and affordable housing Downtown by adjusting the FAR exemption to allow additional FAR when affordable housing is provided. The IOC will also provide greater development flexibility to projects meeting affordable housing thresholds. Phase 2 would include a permanent Land Use Code amendment for Downtown and targeted mixed use land use districts within the city.

Reduced Permit Fees

Permit review and inspection fees can make up a substantial part of a project’s development cost. The city is working on reducing permit review and inspection fees to further incentivize affordable housing production in the city. The city has included fee waiver programs since as early as 1989 with the adoption of a transportation impact fee waiver for qualifying affordable housing projects, and beginning in 1995, the city implemented a school impact fee waiver for qualifying affordable housing projects. This proposal would expand the city’s fee waiver program beyond impact fees to include permit review and inspection fees, to help mitigate the cost of development for affordable housing projects.

Multi-family Tax Exemption (MFTE)

The Multi-family Tax Exemption (MFTE) Program is a voluntary affordable housing incentive for new multi-family rental developments. MFTE projects receive a 12-year exemption from property taxes in exchange for setting aside 20 percent of the units for income-eligible households for that time. The original version of this program was implemented in 2015 in limited areas in Bellevue and did not result in significant utilization. It was expanded citywide in 2021. Today, 84 MFTE units available at 60–80 percent AMI have been created in Bellevue, set to expire between 2031 and 2034.

Housing Stability Program

In October 2020, the city enacted Resolution No. 9826 to collect a 10th of a percent sales tax to support affordable housing and related services. The tax became effective January 1, 2021, collecting more than $9.7 million in 2021 and estimated to collect $10.3 million in 2022. Program priorities for use of these funds include providing housing for households earning less than 30 percent AMI; addressing and preventing homelessness and housing instability; and focusing on underserved and vulnerable residents in Bellevue. Funding is provided to support land acquisition, building acquisition, and construction, as well as operations and maintenance costs that serve program priorities.

A REGIONAL COALITION FOR HOUSING (ARCH) HOUSING TRUST FUND

Bellevue is a member of A Regional Coalition for Housing (ARCH) and has developed several affordable developments with ARCH support. In partnership with ARCH, the City of Bellevue has developed 3,819 units citywide. Most of these were completed using funds from the ARCH Housing Trust Fund. Most homes built with Housing Trust Funds are affordable to households earning less than 50 percent of median income and often support projects for special needs groups. In Bellevue, ARCH funds have supported over 3,800 affordable housing units—3,162 units for families and individuals, 297 units for those currently experiencing homelessness, and 358 units for seniors.

KING COUNTY HOUSING AUTHORITY

The King County Housing Authority (KCHA) partners with jurisdictions to create affordable housing and distributes funding and subsidies to eligible families and individuals. KCHA funds can further support individual units created through the programs and partnerships listed above. Nearly 60 percent of those living in units created through the City of Bellevue's partnership with ARCH also utilize KCHA assistance. Two of the most-utilized programs in King County are described below, although KCHA facilitates several other targeted housing support programs.

Section 8 Vouchers

Tenant-based Section 8 vouchers are funded by HUD and managed by KCHA. They help nearly 12,000 King County households with low incomes rent homes on the private market, including 559 in Bellevue. With a voucher, a tenant pays between 28 percent and 50 percent of their household income on rent and utilities, with KCHA paying the difference.

KCHA Subsidized Housing

KCHA also owns and manages multi-family rental units in which KCHA subsidizes housing for those with the most limited incomes, including older adults, people with disabilities, and single-parent families.

7.4.3 Other Mitigation Measures

The city could pursue the following kinds of actions if it wishes to address affordability and displacement risk, and some of these are under consideration by the city as of the time of this writing:

ADU Reform

The city can remove barriers and encourage the construction of attached Accessory Dwelling Units (ADUs) in Bellevue and create a pathway for separate ownership of ADUs. Identified barriers to ADU construction, include:

- Owner-occupancy requirement
- Condominium prohibition
- Off-street parking requirement
- Design controls, such as the entry door location restriction
- Process requirements

The city can also consider allowing detached ADUs, which are currently not allowed in Bellevue.

Anti-Displacement Strategies

- Neighborhood stabilization efforts such as rental assistance programs, foreclosure assistance programs, as well as tenant protection policies, especially in areas at high risk for displacement.

- Selling or leasing city-owned property to support affordable residential projects.
- Private or private-public partnerships for affordable housing. An example is the city's partnership with major employers such as Amazon, Microsoft, and Sound Transit in their efforts to create and preserve affordable housing.
- Targeted homeownership assistance to residents of neighborhoods that are at high risk of displacement. Fair Housing Laws will need to be considered and complied with for such assistance programs.

The Action Alternatives would also require the development of new or revised zoning and development regulations for the Wilburton study area. New zoning associated with these alternatives is expected to be similar to rules established for the BelRed area in part 20.25D of the Land Use Code. New regulations will need to address the provision of affordable housing and the potential for residential displacement. These regulations will need to be crafted with the intent of creating affordable housing and to avoid or mitigate residential displacement.

7.5 Significant, Unavoidable Adverse Impacts

Citywide housing capacity is above the adopted target under all alternatives. Increased capacity for housing has the potential to increase the supply and diversity. The exact amount and type of housing, and the actual pace and distribution of future housing development, would be influenced in part by the implementation of Comprehensive Plan policies, related regulations and actions, and by decisions made by individual property owners and developers. This uncertainty is unavoidable but is not considered significant or adverse given the increases in capacity and recent development trends.

Incentives/requirements for affordability in the Action Alternatives have the potential to increase the affordability of market-rate housing in the city, and no significant adverse impacts are expected. However, most market-rate housing tends to be constructed for residents at or above median income levels. The city will likely need targeted strategies and funding sources to encourage the construction of affordable housing for extremely low income (0–30 percent AMI) and very low-income (31–50 percent AMI) households.

The No Action Alternative continues existing regulations, incentives, and programs targeted at affordability. Recent development trends have shown decreases in affordability despite these existing tools. Without additional strategies for affordability, **the No Action Alternative will likely have a significant adverse impact on housing affordability** compared to Action Alternatives.

All alternatives provide capacity for new housing and include some amount of new development or redevelopment. As future development occurs (physical displacement), some residents may be displaced through redevelopment or priced out as land prices and rents increase (economic displacement). Potential residential displacement could occur under all alternatives, but physical displacement may be lower in the No Action Alternative because of its lower overall capacity for housing growth. Economic displacement will be higher in the No Action Alternative given that it does not include additional strategies to increase affordability.

Adopting policies to preserve existing affordable housing is one way to discourage and mitigate residential displacement as redevelopment occurs. The Action Alternatives integrate additional anti-displacement strategies like inclusionary housing to mitigate the impacts of displacement and supply more affordable housing overall. Alternatives 1 and 3 include a mandatory inclusionary affordability program in the growth corridor and Mixed Use Centers, respectively, and the expansion of affordability incentives throughout the city. The city could also consider additional strategies to avoid or mitigate displacement including neighborhood stabilization efforts such as rental assistance programs, foreclosure assistance programs, as well as tenant protection policies. With the application of these mitigation measures, **no significant adverse impacts** are expected for the Action Alternatives.

While potential residential physical displacement is likely lowest under the No Action Alternative because of its lower overall capacity for growth, the lower supply overall of new housing units under the No Action Alternative also means that fewer units could take advantage of current affordability incentives. Housing typologies, including potential homeownership opportunities, would also continue to be limited in single-family areas, although pressure to convert homes with lower intensity typologies could be lower as fewer typologies would be allowed in these areas. Economic displacement will be higher in the No Action Alternative. Given this, **significant adverse impacts** related to an increased risk for involuntary residential displacement are expected under the No Action Alternative.

Future growth will likely increase housing in areas in the city with good access to transit, and **no significant adverse unavoidable impacts** are expected.

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