

Attachment A: Summary of Offering:

The City of Bellevue is offering a 99-year ground lease of a roughly half-acre parcel located at 12000 Bel Red Road (AFN 109910067) (“Property”) for affordable housing development. Following this competitive solicitation, the City reserves the right to negotiate a real estate transaction with the successful respondent conveying fee title in lieu of negotiating a long-term ground lease. In such event, and subject to prior Council approval of a policy governing sale of City-owned real property for affordable housing development, it is possible that the Property could be conveyed at \$0 purchase price.

Respondents can assume the following:

- An affordable housing qualified household means a household whose [household income](#) is less than 80 percent of the median annual income, adjusted for [household size](#), as determined by the United States Department of Housing and Urban [Development](#) (“HUD”) for the Seattle Metropolitan Statistical Area.
- Affordable Units are affordable when affordable housing qualified [households](#) pay no more than 30 percent of [household income](#) for [housing expenses](#).
- Rents charged must be consistent with requirements to maintain Affordable Units as affordable to affordable housing qualified households. Implications of this:
 - Hypothetically, if the selected development proposal includes 50 units below 80% AMI, and another 50 at or below 60% AMI, the City would impose a covenant limiting the maximum rent that can be charged for 50 units to no more than 30% of 80% AMI, and the other 50 to no more than 30% of 60% AMI; and
 - If the developer requires the tenant to pay for utilities, the maximum rent that can be charged will be further reduced by the cost of utilities.
- The term “household expenses” includes rent plus basic utilities per state law and Bellevue City Code, but the City has the authority to include additional categories of costs in “housing expenses” for purposes of capping such costs at 30% of household AMI.
- Utility allowance will mean the utility allowance established by the King County Housing Authority unless a different policy is otherwise adopted by the City for application to the development project on the Property.

- A household means “one or more adults and their dependents who will be residing in the affordable unit.”
- Household income must include all income from all household members over the age of 18 residing in the household, including all income that would be included as income for federal income tax purposes, e.g., wages, interest income. Income of dependents who reside within a household for less than three months of the year will not be counted toward household income.
 - **Note:** The King County/Seattle Metropolitan Statistical Area (MSA) AMI for 2024 is \$147,400 for a family of four.

Minimum Requirements

The City's ground lease will be subject to the following minimum requirements:

1. Delivery of at least 100 units of rent-restricted housing affordable for households whose household income is less than 80% of the area median income, adjusted for household size (“Minimum Affordable Units”).
 - a. The Minimum Affordable Units must be maintained for at least 55 years as affordable for an “affordable housing qualified household” as that term is defined under Bellevue City Code.
 - b. Lease covenant must address long-term affordability of Minimum Affordable Units which shall be at least 55 years.
 - c. Lease covenant must limit the maximum rent that can be charged to no more than 30 percent of household income of an eligible household.
 - d. Maximum rent limits must be based on imputed tenant incomes as adjusted for presumed household size.
 - e. Lease covenant must require that rent be reduced by the amount of the applicable utility allowance if a tenant pays for basic utilities separately from rent.
2. The City reserves the right to define “household expense” to include more than basic utilities pursuant to administrative rule or through the negotiation of the agreement with the selected developer. Note: If additional categories of expenses beyond basic

utilities are deemed a “housing expense,” that would further reduce the maximum rent that could be charged.

3. The City reserves the right to negotiate a real estate transaction with the successful respondent that would convey title in lieu of negotiating a long-term ground lease. In such event, and subject to Council approval of a policy governing the sale of City-owned real property for affordable housing development, it is possible that the Property could be conveyed at below market value. If the City, in its sole discretion, chooses to transfer title in lieu of executing a ground lease and development agreement, the long-term affordability of at least 55 years for Affordable Units must be addressed in an affordable housing restrictive covenant to be recorded against title at closing.
4. Delivery of additional Affordable Units to maximize development capacity consistent with transit-oriented development.
 - a. Respondent must specify the affordability level of additional affordable units and state the number of affordable units to which each affordability level applies to ensure the commitment to maintain those affordability levels in the lease.
 - b. **Affordability example:** If Respondent commits to maintaining an additional 30 units at less than 80 percent area median income, an additional 50 units at less than 60 percent area median income, and an additional 20 units at less than 30 percent area median income, a lease covenant must ensure the commitment to maintain those specified numbers of additional units at deeper levels of affordability.
 - i. All additional Affordable Units must be maintained for at least 55 years as affordable for a household whose [household income](#) is less than the area median annual income, adjusted for [household](#) size, as determined by the United States Department of Housing and Urban [Development](#) (“HUD”) for the Seattle Metropolitan Statistical Area for the applicable affordability level.
 - ii. Rents plus basic utilities cannot exceed 30 percent of household AMI based on imputed tenant income as adjusted for presumed household size.

5. Lease provisions must ensure long-term affordability through monitoring, certifications, and reporting.
6. Lease provisions must address remedies for breach and default.
7. All Affordable Units must be marketed and made available to qualified households in compliance with laws and regulations.
8. Certificate of occupancy must be achieved within 6 years from commencement of the ground lease.
9. Performance milestones must be achieved within a timeline to be agreed and set forth in the ground lease after negotiation between the City and successful Respondent.

As consideration for the minimum requirements, the City will provide, subject to City Council approval, a 99-year ground lease at a rent rate of \$0. **Note:** Prior to the conclusion of negotiations on any ground lease and development agreement, the City intends to seek Council policy direction on the setting of rent rates for ground lease dispositions of City-owned real property for affordable housing development. This competitive solicitation is not intended to bind the City Council to any policy prior to Council action.

Instruction re: Submittals: Submittals are hereby solicited and will be received no later than **5:00 p.m.** on June 2, 2025. Proposals must be submitted electronically to the Office of Housing at housing@bellevuewa.gov. Please title the email "Wilburton TOD Site – RFP Response" and include a link to One Drive, Google Drive, Dropbox or other file sharing services. All files should be clearly labeled. Sections with more than one document should have an independent folder with the title of the section. For questions, please contact the Office of Housing via email.