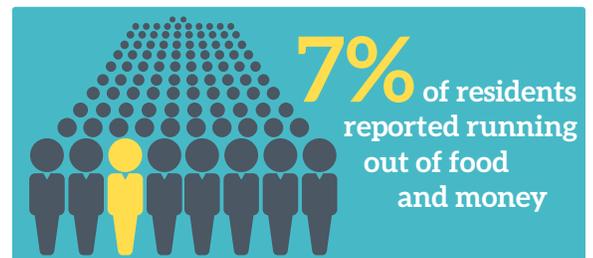
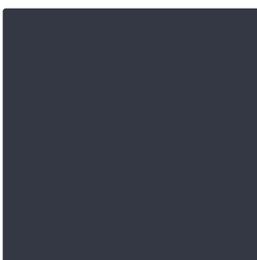


# Goal Areas



# Food to Eat and Roof Overhead



# GOAL #1: FOOD TO EAT AND ROOF OVERHEAD

## Why is this Goal Area Important?

Basic needs like food, shelter and clothing are critical for people to thrive and grow, and vital for a healthy community. This is particularly true for children since in 2015, more than 1 in 6 U.S. children (18 percent) lived in households that were food-insecure at some point during the year, and 0.7 percent experienced the most severe level of need, where food intake is reduced and regular eating patterns are disrupted. Inadequate food intake in children is associated with a number of serious health, behavioral, and cognitive deficits. Food insecurity can result in lower diet quality and less variety, both of which can contribute to being overweight, and unpredictable availability of food can lead to overeating.<sup>1</sup>

Adults, too, tend to perform better in the workplace if they have a healthy diet. According to the Centers for Disease Control and Prevention (CDC), approximately one-third of American adults are obese. Increasing obesity rates lead to greater incidences of diabetes and heart disease, as well as increased costs in the workplace due to decreased productivity.<sup>2</sup> Many in Bellevue continue to struggle to meet basic needs. Vulnerable populations such as children, older adults, ethnic minorities, and low-income households are disproportionately affected by food security, despite the extensive private and public food safety net in the United States. Food-insecure and low-income people are subject to the same often challenging influences as other Americans in trying to consume a healthful diet and maintain a healthful weight, but those who are food-insecure or low-income also face unique challenges in adopting and maintaining healthful behaviors. Examples include limited resources and lack of access to healthy, affordable foods and fewer opportunities for physical activity.<sup>3</sup>

## What's Working?

- In 2016, there were 8,896 Bellevue residents who received Basic Food (Washington's food stamp program), a reduction of 11.8% since 2014 when the number of residents receiving Basic Food was 10,090. This decrease could mean that fewer people need this assistance due to lack of income.<sup>4</sup> Bridge To Basics is a WithinReach program that also collaborates with United Way of King County. They work with Hopelink on the Eastside to connect clients with other services such as Basic Food/food stamps, utility assistance, free tax preparation, free or low-cost children's health insurance, child care for working parents, job training resources, and free and low cost banking services.<sup>5</sup>
- Local emergency financial assistance providers, like the Salvation Army, Catholic Community Services, Solid Ground and Hopelink, reported that they provided services 1,355 people in Bellevue in 2016, largely through one-time rental or mortgage assistance to avoid eviction or foreclosure. They also aided with utility bills, car repairs, prescription drug costs and food vouchers.<sup>6</sup>
- In 2016, Hopelink's Bellevue Center food bank distributed almost 800,000 pounds of food to low-income individuals in their service area. Among the clients who received food at the Food Bank were 3,822 Bellevue individuals (1,742 families) who had a total of over 38,000 visits to the food bank (average of 11 food bank visits per individual).<sup>7</sup> Renewal Food Bank distributed 231,000 pounds of food in Bellevue to more than 37,000 people in 2016. They help about

300 families every week.<sup>8</sup> **Bellevue Food Banks distributed over 1 million pounds of food.**

- In June 2017, Bellevue City Council approved an Affordable Housing Strategy for bringing more affordable housing to Bellevue. The Affordable Housing Strategy represents a culmination of more than a year of research, analysis, review and input from a technical advisory group, stakeholders and the public. The Strategy is a set of actions that, when fully implemented, could create up to 2,500 affordable homes in Bellevue over the next 10 years and provide new or expanded assistance for residents struggling to remain in Bellevue. The Strategy also includes a monitoring program to measure overall progress and effectiveness of individual actions.<sup>9</sup>
- The Regional Affordable Housing Task Force kicked off in July 2017. The King County Council initiated Task Force of elected representatives work with an advisory panel of nonprofit agencies and private partners to identify collective tools and actions that can be taken at the regional level to create more affordable options where needed and preserve affordable housing where it exists today. Actions could include a recommended plan for new partnerships, local strategies, regulatory reform, and funding approaches.<sup>10</sup>
- The Bellevue School District serves free breakfast and lunch to students participating in their Elementary School Summer Program at Lake Hills Elementary.<sup>11</sup>
- Bellevue Nourishing Network aims to fill the existing gaps that leave people hungry by weaving together the efforts, stories, and ideas of individual and organizational networks; employ the skills, tools and resources to sustain community-driven problem solving and network weaving over time. An example is Backpack Meals for

Kids which since 2012 has been working to eliminate weekend hunger. They started in two schools, providing weekend meals for 20-30 students weekly. In 2017, they served 22 schools and provided 29,500 meals in the 2015-2016 school year. Each weekend in the 2016-2017 school year, Backpack Meals for Kids provided 320 children with a meal packet for the weekend.<sup>12</sup>

## Food Security and Hunger Prevalence

- The definition of food insecurity is the limited or uncertain availability of nutritionally adequate and safe foods, or limited or uncertain ability to acquire acceptable foods in a socially acceptable way.<sup>13</sup>
- Food security means access by all people at all times to enough food for an active, healthy life. According to the U.S. Department of Agriculture, the prevalence of food insecurity in Washington State is 12.9% of households, and 4.8% of households classified as very low food insecure. This compares to the national average of 13.7% for food insecurity and 5.4% for very low food insecure.<sup>14</sup>
- **Seven percent (7%) of Bellevue residents reported running out of food and money for a period of time in the past year.**<sup>15</sup>
- The percentage of students receiving free and reduced-cost lunch can also help measure community food security. In the 2016-2017 school year, 33% of King County students (94,838 individuals) qualified for free or reduced-price school meals. Compared to the 2013-2014 school year, this represents a 4% decrease in the number (from 99,114) and 3% decrease in percentage of qualifying students.<sup>16</sup>

- **According to Bellevue School District, the total percentage of students qualifying for free and reduced price lunch assistance has remained steady at 18.8% as of October 2016 (2015: 19%).**<sup>17</sup>
- There are 9 schools in the district where at least 30% of their students are eligible for free or reduced-price lunches, and 12 schools reported that at least 20% of their students qualified.<sup>18</sup>

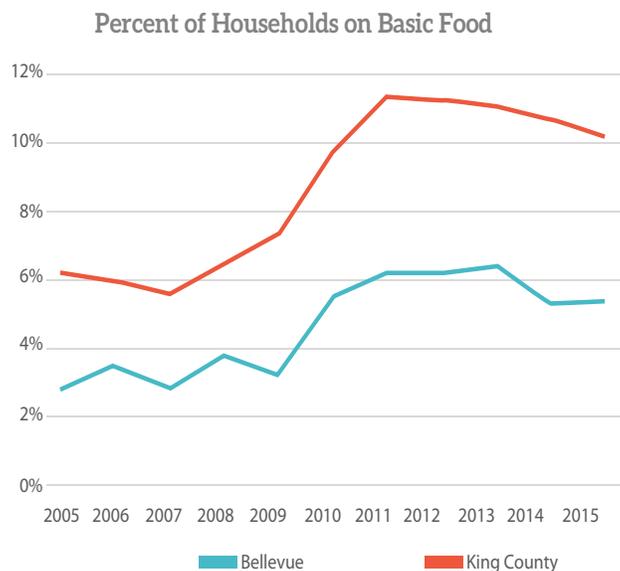
## Service Trends

### Food Banks, Food Stamps and Meal Programs

- In Washington State, about one in seven people (12.9 percent) are considered “food insecure”—which means they do not have reliable access to a sufficient amount of affordable, nutritious food. Food insecurity can have a devastating effect on a person’s health and wellbeing—particularly seniors, children and younger adults. People experiencing food insecurity often have to decide between basic needs, such as healthcare, or nutritionally adequate foods for their family.
- Hopelink’s food assistance programs provide emergency and supplemental food to help end food insecurity for thousands in our community. Hopelink provided a total of 2,161,134 meals, with 14,541 clients receiving food assistance.<sup>19</sup>
- In 2016, Renewal Food Bank fed more than 37,000 people.<sup>20</sup>
- Emergency Feeding Program of Seattle and King County (EFP) provides emergency food bags through 240 distribution partners (faith groups, schools, etc.). There are bags for specific dietary needs, such as for people with diabetes, and for ethnic groups such as

Latino/Hispanic and African. These partners give out our packed bags to people in need with no wait times or restrictions.<sup>21</sup> EFP bags are not intended as an ongoing source of supplemental nutrition, but rather as an emergency response to hunger crises.

- Basic Food includes the federal Supplemental Nutrition Assistance Program (SNAP), previously known as “food stamps,” and the state-funded Food Assistance Program for legal immigrants (FAP). FAP is for individuals who are legal immigrants and meet all the eligibility requirements for SNAP except citizenship or alien status.<sup>22</sup>
- The number of Washington residents receiving food stamps has decreased by 13% in the last two years. In 2014, 1.5 million people received food assistance, compared to 1.3 million in 2016.<sup>23</sup>



**Figure 1 | Source: Washington State Department of Social and Health Services**

- The number of Bellevue residents participating in the Basic Food Program has fluctuated over the years. In 2014, the number of Bellevue residents was 10,072, decreasing to 8,896 in 2016, or 11.6%.<sup>24</sup>
- The Salvation Army operates a community meal program every night of the week in the Crossroads neighborhood. The program is highly community volunteer driven and supported. They serve on average 60 people

per night, but 95 servings on average. Since moving back into their new facility, allowing easier access to the neighborhood, they have seen an increase in families attending. In addition, they offer emergency financial assistance, bread, food bags, child and youth items, hygiene items and more through their Social Service office throughout the week. They have seen an increased need in the amount of financial services needed and continue to have clients come in throughout the day to receive the other services.<sup>25</sup>

## Emergency Financial Assistance

- Emergency financial assistance continues to be a need for low- to moderate-income Bellevue residents and is considered an important strategy on the continuum of services to prevent homelessness.
- In 2016, the City's Utility Discount Program provided utility discounts and rebates for 1,135 low-income seniors and disabled residents who receive water, sewer and drainage services from the City of Bellevue. In 2016, the Utility Tax Rebate Program provided refunds of utility taxes to 1,148 low-income residents.<sup>26</sup> This represents about a 6% decrease in the numbers served in these programs in 2014. Utilities staff are planning an increased outreach effort to ensure that all who are eligible know about the program and have easy access to apply.
- Hopelink's Emergency Financial Assistance program helps keep families from falling through the cracks into chronic homelessness, providing one month's rent so that a family is able to stay in their home. Eviction prevention assistance also protects a family's rental history, keeps them from incurring the costs of eviction and, most importantly, ensures the stability of knowing they have a place to live. Hopelink also provides limited financial support for such things as prescriptions or utility bills not

covered by traditional heating assistance programs. In 2016, Hopelink helped 1,801 clients through emergency financial assistance, and \$489,672 was distributed to mitigate crisis and prevent eviction.<sup>27</sup>

- Ensuring that seniors, people with disabilities and others living in poverty are able to stay warm in their homes, Hopelink administers two programs that assist low-income renters and homeowners with their winter heating and energy bills. These are the federally funded Low Income Home Energy Assistance Program (LIHEAP), and the Puget Sound Energy (PSE) HELP Program, funded by Puget Sound Energy. Hopelink helped 10,609 clients and distributed 2,797,781 in heating assistance in 2016. The average energy assistance provided per household was \$608.<sup>28</sup>
- The King County Housing Stability Project (KCHSP), operated by Solid Ground, makes one-time loans and/or grants to homeowners and tenants in danger of losing their housing due to short-term financial difficulties. This program also provides loans or grants to homeless families and individuals who need assistance moving to permanent housing, and limited assistance for other types of moves. In 2016, this program served 27 Bellevue households with a total of \$40,721 for residents in need of move-in or eviction prevention assistance. Staff note that each year they can serve fewer residents with the amount allotted due to rising rents and higher housing costs.<sup>29</sup>

## Affordable Permanent Housing

Housing is defined as affordable if its occupants pay no more than 30% of their income for rent and utilities or for mortgage, taxes, and insurance. According to the U.S. Department of Housing & Urban Development (HUD), households who pay more than 30% of their income for housing are considered cost-burdened. Households who pay more than 50% of their income for housing are

considered severely cost burdened, and may have trouble affording basic necessities such as food, clothing, transportation, and medical care.

## Prevalence

- It is increasingly difficult for people living and working in Bellevue to find housing in Bellevue that is affordable. The City of Bellevue published a Housing Needs Assessment update as the initial step of the City's Affordable Housing Strategy to develop clarity on Bellevue's current situation with respect to housing demand, supply, and cost. The Needs Assessment describes the current status of housing affordability in the City and the trends that are exacerbating the problem. Research for the City's Comprehensive Plan Update, including broad community engagement, identified affordable housing as a critical need for Bellevue. In June 2017, Bellevue City Council approved an Affordable Housing Strategy for bringing more affordable housing to Bellevue.
- The key findings of the 2016 Housing Needs Assessment were as follows:

- **Over 9,100 Bellevue households (17%), or about 22,000 people, have low and very low incomes (i.e. household incomes less than 50% of area median income). There are only 3,095 units in Bellevue (6% of Bellevue's housing supply) affordable to people in these households.**

- Production of subsidized affordable housing units has slowed. The annual rate of creating affordable units has been significantly less in the last decade than it was in the 1990s.

- **Sixteen percent of all renters and almost one third (31%) of all Bellevue households spend more than 30% of their income on housing (i.e. cost burdened).**

- Almost one third of senior renters spend more than 50% of their income on housing (i.e. severely cost burdened).
- Rents are continuing to climb, and in 2017, average over \$2,000 in parts of Bellevue, a historically high level relative to median income. Affordable rents for low and very low income households would be between about \$450 and \$1,000.
- High home prices in Bellevue are making it hard to keep ownership costs at 30% of income. Median sales price for a single family home in Bellevue in May 2017 was more than \$1 million. This would require an annual household income of over \$220,000 to be affordable.
- The impacts of the lack of affordable housing problem also extend to business, according to Bellevue's **2015 Survey of Businesses**. Respondents to the survey across all geographies and employment sectors consistently rated Bellevue low on affordable housing options for employees. Businesses identified lack of workforce housing as a primary challenge for Bellevue. Forty-one percent (41%) of all respondents state that they have had difficulty finding trained and/or qualified staff over the past 12 months. Retail and tourism indicate having the most difficult time. Half of retail businesses and 60 percent of tourism businesses report having difficulty finding trained and qualified staffing.<sup>30</sup>

- Our region is the most expensive in the country for increasing housing costs, being at or near the top for more than a year. In April 2017 the median single family home sales price across King County was \$625,000, more than double the price at the bottom of the market in early 2012. The Eastside reached an all-time high of \$880,000, up 20% in the last year, the biggest jump since 2013. Fewer people are putting their home on the market because they don't want to turn around and have to buy at inflated prices, unless they're moving away or downsizing. At the same time, brokers say buyers are "over-confident" that they can sit on their houses and sell later because prices keep going up. Across Bellevue, the median home sales price topped the \$1 million mark.<sup>31</sup>
- Almost one third (31%) of all Bellevue households spend more than 30% of their income on housing. This includes 14% of households that spend more than 50% of their income on housing. Paying between 30-50% of income on housing is defined as cost burdened and paying more than 50% of income towards housing is defined as severely cost burdened. While 14% of all households are considered to be severely cost burdened, 63% of very low income and 53% of low income households pay more than 50% of income towards housing.
- In terms of renter households, the overall share of severely cost burdened households is higher at 16%. Over half (51%) of senior renters spend more than 30% of their income on housing. This includes almost one third (32%) of senior renters that spend more than 50% of their income on housing.<sup>32</sup>

## Service Trends

### Provision of Affordable Housing

- Bellevue is working towards a housing supply that will meet the needs of all economic segments of the community, as established in coordination with the King County Growth Management Planning Council and adopted in the Countywide Planning Policies. The Countywide need for housing by percentage of Area Median Income (AMI) is: 16% of housing supply affordable at 50%-80% of AMI; 12% of housing supply affordable at 30%-50% of AMI; and 12% of housing supply affordable at 30% and below AMI.<sup>33</sup>
- Since the Countywide Planning Policies were adopted in 1993 and through 2016, Bellevue has added approximately 3,500 units of new or preserved affordable and Section 8 housing. This includes market-rate units in Bellevue with and without regulatory incentives and units with direct subsidies from Bellevue through A Regional Coalition for Housing-ARCH.<sup>34</sup>
- The City supports affordable housing largely through the regional consortium ARCH.

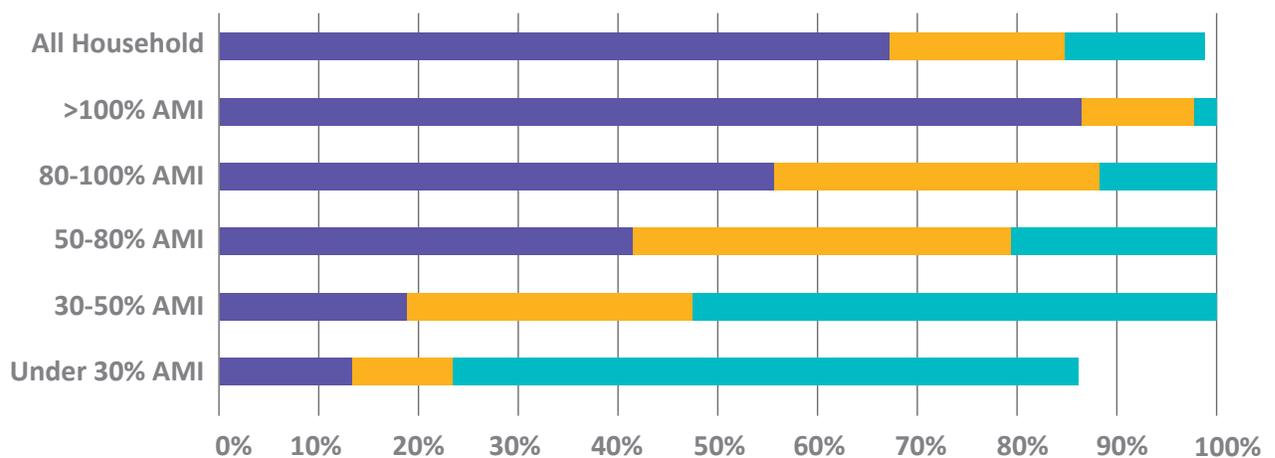
**“Some families just fall short to be eligible for affordable housing. Sometimes just a percent or two. Even two people working full time still cannot pay for rent.”**

**— YES Staff, Best Starts for Kids Family and Youth Homelessness Prevention Program**

The effectiveness of leveraging Bellevue's housing dollars, with other local, state, and federal funding, measured high in 2015— more than 8 times the one to five (1:5) performance target. Like other Eastside cities, however, Bellevue

struggles to provide enough affordable housing to meet the need of Bellevue's residents and workforce.

- In June 2015, the Bellevue City Council adopted the city’s multi-family tax exemption (MFTE) for projects in certain areas. Seattle and other cities have similar MFTE programs under which developers agree to set aside a certain percentage of units for low- and moderate-income people. Under Bellevue’s MFTE program, developers will be exempt for 12 years from paying property taxes on the units they build in downtown, the Bel-Red area, Eastgate, Crossroads Village and the Wilburton commercial district. To get the tax break, developers have to make a fifth of the units in their projects affordable. Half of the affordable units would be set aside for people who make \$40,320 a year or less and the other half set aside for those who bring in around \$47,000 a year or less. As of July 2017, no Bellevue multifamily development has taken advantage of this exemption. The city is reviewing the program’s eligibility and affordability requirements.<sup>35</sup>
- It is a Council priority to encourage a variety of affordable housing opportunities for all economic segments of the community. The City’s Economic Development Plan also supports this priority.<sup>36</sup> In 2014 Bellevue adopted the updated Comprehensive Plan Housing Element, establishing the city’s housing policy direction. An Affordable Housing Strategy to implement the city’s housing policy was initiated in December 2015 and approved in June 2017.
- The Affordable Housing Strategy represents more than a year of research, analysis, review and input from a technical advisory group, stakeholders and the public. The Strategy is a set of actions that, when fully implemented, could create up to 2,500 affordable homes in Bellevue over the next 10 years and provide new or expanded assistance for residents struggling to remain in Bellevue. Phase 1 actions that are now being implemented include: update of the city’s multifamily tax exemption (MFTE) program; creating an



	Under 30% AMI	30-50% AMI	50-80% AMI	80-100% AMI	>100% AMI	All Households
Not Cost Burdened	13%	19%	41%	55%	86%	67%
Cost Burdened	10%	29%	38%	33%	12%	17%
Severely Cost Burdened	63%	53%	21%	12%	2%	14%

Figure 2 | Notes: Under 30% AMI does not total 100 because of unavailable data. Source: CHAS data based on U.S. Census Bureau data.

AFFORDABLE HOUSING UNITS CREATED IN BELLEVUE, 1996-2016				
Target Population	Direct Assistance	Regulatory Incentives	Market	Total
Low-income (50% of median)	929 units		8 units	937 units
Moderate-income (80% median)	512 units	406 units	1,239 units	2,157 units
Total Units	1,441 units	406 units	1,247 units	3,094 units

Figure 3 | Source: A Regional Coalition for Housing (ARCH) 2017

inventory of surplus public land, faith based owned land, and non-profit owned land for potential affordable housing; voluntary density incentives for affordable units in Eastgate and Downtown; working with Sound Transit and other public agencies to develop affordable housing in proximity to transit hubs; and partnering with non-profits and housing agencies to fund the preservation of existing, affordable multifamily housing. The Strategy also includes a monitoring program to measure overall progress and effectiveness of individual actions.

- In 2015 and 2016, Bellevue helped towards creating 63 family rental units in Bellevue that will start construction in 2017. Additionally, 2016 Bellevue funding went towards predevelopment funding of an over 200 unit mixed income Transit Oriented Development in the Overlake Village District of Redmond on the border with Bellevue. This project, which is also supported with in-lieu fees from Redmond, will be applying for additional funding in the 2017 round.

The scale, readiness, and available sources leveraged by Bellevue funds has changed over the past several years resulting in multi-year funding commitments to particular projects. Also recently funded (2014) were a 50 bed Year round Homeless Shelter which has not yet moved into entitlement and the Regional Equitable Development Initiative (a revolving fund to acquire development opportunities within emerging Transit Oriented Development areas). The counts in Figure 3 do not include the units that will be created with these investments.<sup>37</sup>

## Housing Choice Voucher Availability (Section 8 Vouchers)

- King County Housing Authority (KCHA) administers the federal Section 8 Housing Choice Voucher rental assistance program. Section 8 vouchers help people with low incomes rent homes on the private market. With a voucher, people pay at least 28%, but not more than 40% (in the first year), of their

AVERAGE RENTS IN KING COUNTY AND EAST KING COUNTY (\$) 2011-2017							
	March 2011	March 2012	March 2013	March 2014	March 2015	March 2016	March 2017
East King County	\$1,222	\$1,288	\$1,362	\$1,474	\$1,577	\$1,716	\$1,832
King County	\$1,049	\$1,098	\$1,173	\$1,270	\$1,371	\$1,493	\$1,617
Difference	173	190	189	204	206	223	215

Figure 5 | Source; Dupre + Scott. (March 2017). The Apartment Vacancy Report.

household income for rent and utilities. KCHA pays the difference between their portion of the rent and the amount their landlord requests. If they qualify for a voucher, they can use it to rent from any landlord in King County willing to take part in the program. In some cases vouchers may also be used to rent in incorporated Seattle or Renton, or outside of the county.

- KCHA is not accepting applications for Section 8 Housing Choice Vouchers. For 2 weeks in April 2017, the King County Housing Authority opened-up its voucher waiting list and received a total of 19,462 applications. Twenty percent of the households reported “no income,” up from 12 percent just two years ago, and 60 percent said they currently were homeless, up from 47 percent in 2015. More than 700 of the applications were received from veterans, 400 of whom said they are homeless.<sup>38</sup> In May 2017, KCHA held a random lottery drawing to select 3,500 households from the 19,462 applications received. These households were added to a new voucher waiting list.<sup>39</sup> This compares to 2015 when more than 22,600 households applied for just 2,500 spots when KCHA opened its waiting list.
- The Seattle Housing Authority (SHA), which serves only Seattle, last accepted Section 8 applications in February 2017 and it is anticipated to take several years before SHA issues vouchers to those on the 2017 lottery waitlist and opens another lottery.<sup>40</sup> This waiting list has a preference for households that are 30% or less of Area Median Income and 3,500 applicants were placed on the waiting list by random lottery, after sorting preferences.<sup>41</sup>
- Bellevue has approximately 870 older adults, disabled, and families with children benefiting from Section 8 Housing Choice vouchers, which provides over \$11.2 million annually to local landlords through federal

Section 8 subsidies. The average income of a family receiving a Housing Choice Voucher is \$13,600.

- KCHA provides 1,837 housing units in Bellevue in 15 multifamily properties and 8 single family homes. This includes 509 federally subsidized units for very low-income households in Bellevue. The Housing Authority also provides 1,497 affordable workforce housing units in Bellevue financed with tax credits and/or tax-exempt bonds. These housing units do not receive operating subsidies from HUD.<sup>42</sup> Most of the KCHA properties in Bellevue are existing apartments acquired by KCHA to preserve their affordability.

## Rental Housing Market

### King County

- From the perspective of tenants, the rental market is increasingly difficult: over the past fifteen years, rents have gone up, down, and flattened out, resulting in an increase of just 4.1% compounded annually, excluding the distortion caused by new construction. When adjusted for new construction, rents really increased 3.3% a year. By comparison, real estate taxes and utilities increased 4.8% compounded annually over the same period. There is a significant and unsustainable disconnect between these cost increases and rental costs for an apartment. In addition, only 12% of properties surveyed offer concessions, averaging \$899 over the lease term. This compares to two years ago when concessions averaged \$744 and three years ago when they were just \$580.<sup>43</sup>
- Average rents across the region are up about 1.1 percent from last quarter and up 8.3 percent from a year ago. Those increases, only slightly smaller than the surges seen in recent years, put Greater Seattle among the most extreme markets in the country for rent hikes. Rents here have grown about six times faster than the national average over

the last year, according to Zillow. Rents are highest in downtown Seattle (\$2,173), West Bellevue (\$2,125) and Issaquah and Mercer Island (above \$1,900). Rents are hovering at or just below \$1,800 in several Seattle neighborhoods, including Ballard, Green Lake/Wallingford, Queen Anne and First Hill, as well as in Kirkland and Redmond.<sup>44</sup>

## Bellevue

- Apartment rents have been climbing steadily, with average rents in East Bellevue over \$1,600/month and West Bellevue at over \$2,100/month. Throughout Bellevue, family size units with at least 2 bedrooms exceed \$1,600/month and studio units exceed \$1,100/month. Vacancy rates were 3.3% in both East and West Bellevue (March 2017). Vacancy rates below 5% indicate that new construction is insufficient to meet demand. Until recently, increases in rent have generally been consistent with increases in median income, and the average market rent in Bellevue has been affordable to moderate income households earning 80% of Area Median Income (AMI). This is no longer true. Since 2011, average rents throughout the City have become unaffordable to moderate

income renters. For example, as shown in Figure 5 renters at 80% AMI can afford between \$1,509 and about \$1,665 for family size units with at least 2 bedrooms.<sup>45</sup>

- Figure 7 shows a breakdown of apartment rents in Bellevue between March 2013 and March 2017 and compares them to the entire county. Rent in West Bellevue for a two-bedroom/one-bath apartment increased significantly (45%) between 2013 and 2017, which was still lower than the increase in King County rent for a two-bedroom/one-bath apartment (59%).

## Decreasing Vacancy Rates

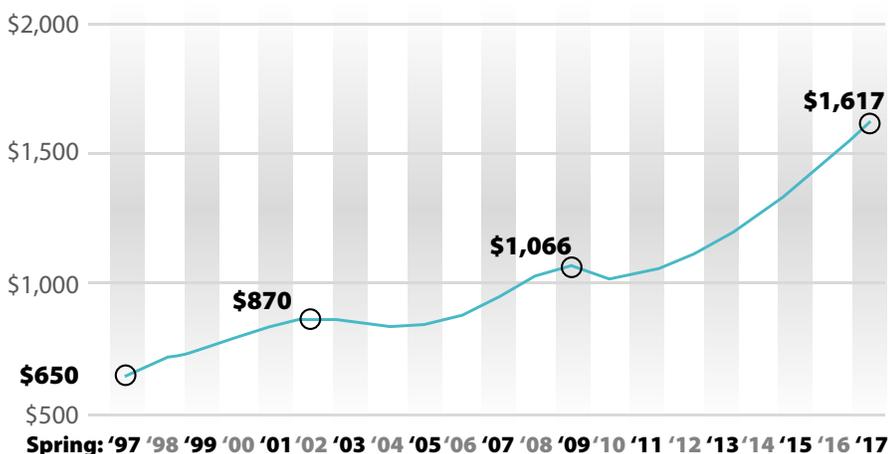
- Vacancy rates are often used as an indicator of future rent prices. If vacancy rates are low, rent prices tend to increase due to scarcity of available units; if vacancy rates are high, rent prices decrease as owners attempt to fill unoccupied units. The market vacancy rate is 3.4% in the Puget Sound region, down slightly from 3.5% in the fall of 2016 and higher than the 3.3% level from a year ago. The rate of rent growth has slowed a little; rents rose 2.6% in the region since September 2016 and are 8.5% higher than a year ago. New construction costs more and

typically gets a rent premium of more than 40%. With so much new construction, this rent distortion is becoming significant. Excluding new units that opened in the past year, rents in the region rose 7.2%.

- Between March 2013 and March 2017, vacancy rates stayed the same on the Eastside (3.5%) while they increased in East Bellevue (from 2.3% to 3.3%) and in West Bellevue (from 3.1% to 3.3%) as rent increased. Vacancy rates in Factoria increased from 4% to 5.7% during the same time period.<sup>46</sup>

### Rents soar again in King County

Rents increased 8.3 percent in King County from a year ago, similar to spring increases seen in the last several years.



Note: Not adjusted for inflation.

Figure 4

	STUDIO (1 PERSON)	1 BEDROOM (2 PEOPLE)	2 BEDROOM (3 PEOPLE)	3 BEDROOM (4 PEOPLE)
<b>Very Low Income 30% AMI</b>				
Household Income	\$20,200	\$23,050	\$25,950	\$28,800
Max. Affordable Rent	\$540	\$576	\$648	\$760
<b>Low Income 50% AMI</b>				
Household Income	\$33,600	\$38,400	\$43,200	\$48,000
Max. Affordable Rent	\$840	\$960	\$1,080	\$1,200
<b>Moderate Income 80% AMI</b>				
Household Income	\$50,400	\$57,600	\$64,800	\$72,000
Max. Affordable Rent	\$1,344	\$1,536	\$1,728	\$1,920
<i>Note: Maximum affordable rents include a utility allowance. Source: U.S. HUD Income Limits, 2017 using King County 4 person household family income of \$96,000</i>				

Figure 6

Area	RENTS IN BELLEVUE (\$)											
	Studio			1 Bedroom			2 Bedroom (1 bath)			3 Bedroom (2 bath)		
	March 2013	March 2015	March 2017	March 2013	March 2015	March 2017	March 2013	March 2015	March 2017	March 2013	March 2015	March 2017
Bellevue - East	836	943	1,126	1,077	1,229	1,472	1,074	1,397	1,652	1,632	1,961	2,403
Bellevue - West	1,129	1,241	1,477	1,505	1,684	1,913	1,509	1,945	2,196	2,548	2,579	2,968
Bellevue - Factoria	694	1,170	1,435	930	1,268	1,562	1,150	1,510	1,721	1,700	1,937	2,494
King County	958	1,133	1,302	950	1,266	1,511	977	1,294	1,557	1,474	1,674	1,993

Figure 7 | Source: Dupre + Scott. (March 2017). The Apartment Vacancy Report.

## Income Needed to Afford Rent

- The minimum wage in Washington increased to \$11 an hour starting on January 1, 2017. The new minimum wage, a result of the passage of Initiative 1433, applies to all jobs, including those in agriculture. Workers under 16 years old can be paid 85% of the adult minimum wage, or \$9.35 per hour, in 2017. In addition to minimum wage, the initiative addresses paid sick leave.<sup>47</sup>
- Seattle, Tacoma, and the City of SeaTac have higher minimum wage rates for 2017. For employers in those areas, the local minimum wage rate will apply as long as it is higher than the state minimum.<sup>48</sup>
- The City of Seattle approved a \$15 per hour minimum wage in June 2014, making Seattle the first major city in the United States to take such an action to address income inequality. Seattle's Minimum Wage Ordinance went into effect on April 1, 2015. The Minimum Wage Ordinance sets wages for the City of Seattle and will gradually increase to \$15.00/hour.<sup>49</sup>

- **In Washington, the Fair Market Rent (FMR) for a two-bedroom apartment is \$1,203. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$4,010 monthly or \$48,119 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly housing wage of \$23.13. In the Seattle-Bellevue area, that estimated figure is \$29.29.**<sup>50</sup>

- Compared to other cities in Washington and cities across the country, the cost of living index in Bellevue is 171, which is 48% higher than the Washington average and 71% higher than that for the entire country. The index is comprised of the following criteria: cost of retail goods and services (33%), groceries (13%), health care (5%), housing (30%), cost of public/private transportation (9%) and utilities (10%). Everyday goods and services, along with housing, account for 63% of the total cost of living index.<sup>51</sup>

“More people are calling for services as they are unable to keep up with landlords’ frequent rental increases.”

— Provider Survey

## Affordable Home Ownership

- The median price of King County single-family homes reached \$560,000 in May 2017, nearly double the prices during the housing bust 5 years ago.<sup>52</sup>
- The median sales price for single family homes in Bellevue for May 2017 was around \$1 million. Sales prices have appreciated 46% over the last 5 years in Bellevue.<sup>53</sup>
- It is increasingly difficult for moderate-income households and first-time homebuyers to purchase a home, particularly in East King County. In response, federal, state, and local governments; non-profit organizations;

“I love living in Bellevue but it is so expensive to live here.”

— Promotores Community Event

lenders; and private developers have developed a number of strategies to assist low and moderate-income homebuyers. Local homeownership assistance programs use several different strategies: 1) provide cash in the form of down payment loans or lower interest rates to help buyers afford home costs; 2) lower construction costs by smaller lot or unit sizes, by offering developers waivers from regulations, or by using surplus land; and 3) lower purchase costs through development subsidies and sweat equity from buyers and volunteers.

- A Regional Coalition for Housing (ARCH) funds a program called ARCH East King County Down Payment Assistance that helps homebuyers with the down payment of their home. This program also receives funding from King County and the Washington State Housing Finance Commission. Down payment assistance helps close the affordability gap for homebuyers in East King County, providing assistance that can be used to help purchase homes on the open market or price-restricted homes through various local land use incentive programs. The program requires homebuyers to take a homebuyer education class and receive financial counseling. It provides funds as deferred loans, to be paid with interest, and recycles funds through loan repayment, maintaining long-term value of the loan program. ARCH East King County Down Payment Assistance has been in existence since late 2005 and has already helped 70 first time, income-qualified homebuyer households achieve homeownership.<sup>54</sup>

Homelessness – Please see Special Focus Area: Homelessness.

## Legislative and Policy Changes Affecting Basic Needs and Housing Issues

- The federal Community Development Block Grant (CDBG) budget remained flat in 2015, 2016 and 2017 at \$3.06 billion. However, Bellevue’s CDBG entitlement amount increased 11.7% between 2015 and 2017 due to the funding formula used by the U.S. Department of Housing and Urban Development (HUD). Bellevue’s entitlement amount for 2017 is \$685,152.<sup>55</sup>
- In 2017 the Washington State Legislature did not pass a capital budget so there were no funds added to the Housing Trust Fund for 2017. The Governor signed Senate Bill 5254 which extends the document recording fee for four more years to fund

housing and shelter for people experiencing homelessness.<sup>56</sup> The State budget also included partial funding for an annual report that tracks performance measures for the federal nutrition programs managed by several State agencies, including the Department of

Health, and expanded nutrition assistance for older adults for home delivered meals program by 25%, supporting an additional 3,000 clients statewide.<sup>57</sup>

“Affordable housing is incredibly limited in our community, which often forces families to move away from their support system and employment.”

— Provider Survey

## Community Perceptions

- This was the tenth consecutive phone/online survey in which lack of affordable housing (as a community problem) received the greatest percentage of major and combined major/moderate ratings, at 77%, a statistically significant increase over 2015. The percentage of respondents rating homelessness as a major or

moderate problem changed from 30% in 2015 to 34% in 2017, although this change was not statistically significant.

- In the phone/online survey, results confirm that meeting basic needs continues to be a concern for Bellevue residents. Forty-four percent (44%) of respondents rated the issue of people having jobs that do not pay enough for the basics of food, shelter, and clothing as a major or moderate community problem.
- In the 2017 survey, 22% of respondents rated hunger as a major or moderate problem in Bellevue; 20% rated it a major or moderate problem in 2015, but this difference is not statistically significant.
- In regard to Bellevue residents' ratings of major or moderate problems in their households, 22% of respondents could not find affordable child care, 13% rated lacked enough money to pay for housing, 10% struggled to pay dental bills, and 11% had difficulty paying for doctor bills.
- Nurses in the Bellevue School District stated they encounter families "living on the edges" in Redmond in some schools as there is no affordable housing in Bellevue. Some families double up, sometimes up to 3 families in an apartment to be able to afford housing in Bellevue.
- Staff at the Family Connections Centers in the Bellevue School District identified the need for more food bags for the weekends, snacks available at school, and more fresh food for low-income students. Some resources are available, but there is still a need.
- Staff from Bellevue's Crossroads Mini City Hall sees a need for emergency food bags so people don't have to go to the food bank if they lack transportation. Another option would be to have a "pantry" at more sites in the community so people in need of food could select items rather than getting a pre-filled bag that may not fit their dietary needs or be too heavy to carry on the bus.

- In the Next Door survey 78% of respondents rated *lack of affordable housing* most pressing community problem. As a household problem, *not having enough money to pay for housing* was in the top ten.

## Implications for Action

- The lack of affordable housing continues to be perceived by residents as the top community problem in Bellevue. Housing prices continue to rise, and this trend is likely to continue in the future resulting in more people having to commute to work instead of living close to their jobs.
- Increased reports about incidents of discrimination other than racial, including religious and sexual orientation, have pointed to the need for more community education and conversation about differences, tolerance and acceptance.
- Rising housing prices means single family homes in Bellevue have in most cases become out of reach for households earning the median wage. The rental market is also unaffordable for many residents as rental rates are also continuing to increase faster than incomes.
- There continues to be a significant need for housing affordable for moderate-income households (also termed workforce housing) on the Eastside as well as housing for low-income (30% of median income or below). The need for food assistance has not decreased significantly since the recession ended and will likely continue in the future. More people are using funds in their budget designated for food to help pay rent and utilities.
- The high cost of living is repeatedly identified by Bellevue residents as a top issue, primarily the cost of housing. This is true across many socioeconomic segments of the population.

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