

DATE: February 3, 2025

TO: Human Services Commission Members

FROM: Hannah Bahnmiller, Senior Affordable Housing Planner

Office of Housing

SUBJECT: 2025 Affordable Housing Strategy Update

Office of Housing staff will inform the Commission of the process and objectives to update the Affordable Housing Strategy in 2025. The Commission will have the opportunity to ask questions and provide feedback.

The City is updating its existing 2017 Affordable Housing Strategy to implement new policy direction, reflect changing market conditions, and support the development and preservation of additional affordable housing units. Updating the Affordable Housing Strategy will identify the next set of near- and mid- term actions to help the City achieve the new affordable housing target and meet other affordable housing priorities. Actions will be prioritized into a seven-year implementation and monitoring plan to ensure progress.

The update will prioritize actions that focus on increasing the availability of incomerestricted affordable housing but may also include actions to increase housing access and stability and the overall affordability of housing on the market.

## **Background**

The Bellevue City Council adopted its existing Affordable Housing Strategy (AHS) in 2017. The 2017 strategy includes five overarching strategies and 21 actions to expand affordable housing opportunities in Bellevue. In 2022, Council approved the Next Right Work to continue the affordable housing work plan in advance of a full update to the strategy. The Next Right Work includes five specific actions as selected by Council with various steps and phases. Most of the 2017 AHS and Next Right Work actions are either complete, have made significant progress, or have ongoing work.

Along with the 2017 strategy, the Council established a goal to build or preserve 2,500 affordable units over 10 years (2017-2027). The City is on track to exceed this goal, with 2,750 affordable housing units built, preserved, or in the development pipeline in Bellevue between 2017 and 2023. A detailed implementation summary of progress since 2017 is available online – Implementing the 2017 Affordable Housing Strategy.

## **Objectives and Scope**

The Affordable Housing Strategy is a short- to mid-term action plan that identifies and sequences steps the City can take to continue to address the need for affordable housing in the community. The primary goal of the Affordable Housing Strategy Update is to provide a set of new actions to achieve the City's affordable housing target. In addition, the following process outcomes are desired:

- Fostering informed community members through educational opportunities and clear,
- accessible project materials to increase community capacity to participate in conversation on affordable housing.
- Equitable engagement that includes representative and diverse voices throughout the process by using a variety of outreach methods, with particular attention given to marginalized and underserved communities.
- Articulate goals for next set of actions (i.e., other priorities beyond meeting new target) that reflect the vision, values, and goals of the community.
- Develop an updated framework for regular monitoring and reporting.

Bellevue City Council approved a new affordable housing target to build or preserve 5,700 affordable units in ten years (2026-2036) to guide the development and implementation of the 2025 Affordable Housing Strategy. The new affordable housing target includes subtargets for income band below 80% AMI, shown in Table 1.

The new affordable housing target looks at affordable housing that is income-restricted to households earning up to 80% of the Area Median Income (AMI). The new target is based on analysis conducted as part of the 2022 Bellevue Housing Needs Assessment and the City's 25-year overall housing growth target of 35,000 housing units.

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10-Year Affordable Housing Target				
0-30% AMI	2,700			
30-50% AMI	1,450			
50-80% AMI	1,550			
Total	5,700			

## **Work Program and Schedule**

The AHS Update will include three core components:

- <u>Building on Past Progress</u> The update process is intended to build on the progress to implement the 2017 AHS and Next Right Work. The City's Affordable Housing team presents biannual updates to Council on implementation and progress towards goals. Prior to project launch, staff will holistically document work to implement the 2017 AHS and Next Right Work actions and estimated impact (units, dollars contributed, and households served). This information will be used to identify any outstanding work items or areas of continuous improvements to be considered as possible next-set actions. The review of implementation progress will be included as an appendix to the updated 2025 Affordable Housing Strategy.
- Implementing Policy Guidance The 2024 Comprehensive Plan Periodic Update (CPPU) defined the City's future vision and policy framework, including significant work to align the Bellevue Housing Element with state and regional guidance. The AHS update is an opportunity 5 to operationalize policies within the CPPU. The AHS update will review and catalogue policies and develop them into effective implementation actions.
- Engaging Representative Voices The City has recently undertaken significant
  community engagement around the topic of housing in multiple projects. Part of the
  update process will be summarizing this engagement across projects in order to
  incorporate and build on this work. Initial outreach will be dedicated to informing
  the public on the City's efforts to implement the 2017 AHS and to provide education
  opportunities to learn about key housing concepts and issues. Additional outreach
  will include engaging marginalized and underserved communities and technical
  experts in order to set direction and prioritize actions.

Work has been divided into four phases that are anticipated to occur over the course of approximately a year.

- 1. <u>Launch:</u> (*November 2024 March 2025*) Provide information and educational opportunities on affordable housing topics. Learn what community members need to learn.
- 2. <u>Assess:</u> (April June 2025) Work with technical stakeholders to refine the possible actions into fully developed strategies for potential inclusion in the update.
- 3. Refine: (July September 2025) Prioritize actions and draft the strategy.
- 4. <u>Review:</u> (October November 2025) The final draft strategy is reviewed and adopted by City Council.

## **Community Engagement**

As the City undertakes ambitious affordable housing goals, community members and other constituents should be educated, engaged, and invested in being part of the solution to ensure successful development and implementation of the AHS Update. Engagement and outreach for the AHS Update has three overarching objectives.

- 1. Provide information on affordable housing. Everyone comes to the subject of affordable housing with their own level of knowledge and experience. This objective aims to provide a foundation of information for interested community members to engage in public dialogue.
- 2. Create opportunities to inform the Strategy. This project has a wide range of interested parties, with commonalities across identities or "affinities." This objective aims to provide a range of opportunities for all voices to be heard in the process community members, technical experts, and others to ensure the AHS Update is informed by broad participation.
- 3. Elevate diverse and representative voices in recommendation-making. We recognize the need to elevate voices not typically heard, those with limited resources, or who have other barriers to participation.

This engagement strategy aims to intentionally engage the Bellevue community and those marginalized or underserved in AHS Update recommendation processes. These objectives are informed by the 2024 Comprehensive Plan Periodic Update, which included new policies on engagement and collaboration on housing planning.

Att A. Implementing the 2017 Affordable Housing Strategy