

Bellevue's Use of Similar Affordable Housing Tools

1. Affordable Housing Density Bonus

Washington state law authorizes cities planning under the Growth Management Act, at RCW 36.70A.540, to establish inclusionary programs for affordable housing. An inclusionary program must be tied to a change in zoning or other regulation that provides a benefit to the development (e.g., an “upzone” where the city or county decides to increase development capacity). Nationally, mandatory programs have generally been more effective at creating new affordable units than voluntary programs. However, because the success of any particular program is dependent on balancing the strength of the local housing market and the value of the incentives offered, results vary between individual programs.

a. Current program

In 1996 Bellevue adopted a housing density bonus for affordable housing that can be used Citywide. In multifamily development the program provides one bonus market-rate residential unit for each affordable unit provided, up to 15% above the zoning district's maximum density. Projects with affordable units can also earn increased lot coverage and reduced parking and open space requirements, as additional incentives. In new subdivision projects, attached affordable housing duplexes are permitted on single-family lots.

Where: The program is available Citywide.

When program started: 1996

Bellevue City Code reference: LUC 20.20.128

Number of units produced: 64 units

Income-level served: Units must be affordable to residents earning less than 80% of area median income (AMI) , and units must be affordable for the life of the project.

b. Mandatory Inclusionary Zoning Program (1991-1996)

Bellevue previously had a mandatory Inclusionary Housing Program in place from July 1991 to February 1996. The program required that all new multifamily development with more than 10 units include 10% of units affordable at 80% Area Median Income. The bonus was also available to new single family subdivision development greater than 10 lots. A bonus of one market rate unit was permitted for each affordable unit provided, up to 15% above the maximum allowed zoning density. In zoning districts where density is calculated as floor area ratio (FAR), density bonus would be calculated as an equivalent FAR bonus.

Where: Citywide

When program started: 1991, Ord. 4269

Number of units produced:

- 146 rental units
- 80 condominium units

Income-level served: Low and moderate income households earning up to 80% of area median income.

2. BelRed FAR Incentive for Affordable Housing

Development regulations for BelRed establish base and maximum density levels (expressed through FAR). Maximum density must be earned by providing amenities, either included in the project or paid as a fee-in-lieu. Amenities include affordable housing at 80% of area median income, as well as parks, public art, and other public amenities. The affordable housing bonus is a “first tier” amenity and must be provided before other amenities. The program also allows the developer to pay a fee-in-lieu of providing the affordable units, with these fees used for affordable housing in BelRed. To date, most residential development in BelRed has participated in this voluntary program. The affordable housing bonus is as follows:

- Rental: For every square foot of affordable rental housing provided at 80% of AMI, 4.6 square feet of bonus building area is allowed.
- Owner: For each square foot of ownership housing affordable at 100% AMI, 7.2 square feet of bonus building area is allowed.

Where: BelRed

When program started: 2009

Bellevue City Code reference: LUC 20.25D.090

Number of apartment units produced (includes pipeline projects): 181 units

Amount of fees generated: \$7,562,839 (w/ available balance of \$3,562,839; \$4.0M went towards Illahee Apartments preservation)

Income-level served: Low and moderate income households earning up to 80% AMI.

3. Downtown Subarea

A 1.0 FAR bonus is available to projects in Downtown that provide affordable housing units. These units must be affordable to households earning up to 80% AMI. The additional FAR must be made up of at least 1 square foot of affordable housing for every 2.5 square feet of market residential. Affordable units provided as part of this incentive must remain affordable for the life of the project.

Where: Downtown

When program started: 2017

Bellevue City Code reference: LUC 20.25A.070.c.2

Number of apartment units produced: 24 units

Income-level served: Low and moderate income households earning up to 80% AMI.

4. Eastgate – Transit-Oriented Development (TOD)/Neighborhood Mixed-Use (NMU)

A FAR bonus is available to projects in specific areas of Eastgate that provide affordable housing units. These units must be affordable to households earning up to 80% AMI. The additional FAR must be made up of at least 1 affordable unit for every 2.5 market rate units. Affordable units provided as part of these incentives must remain affordable for the life of the project.

Where: Eastgate TOD/NMU District

When program started: 2017

Bellevue City Code reference: LUC 20.25P.060.B.2.a

Number of apartment units produced: None recorded at this time

Income-level served: Low and moderate income households earning up to 80% AMI.

5. East Main District

Development regulations for East Main are similar to BelRed but not tiered in the same manner. The development regulations establish base and maximum density levels (expressed through FAR). Maximum density must be earned by providing amenities. For residential development within the East Main District, the voluntary Amenity Incentive System has a focus on affordable housing. A residential development or a residential portion of a development can earn 80% or more of the project's amenity points from the Affordable Housing amenity. There is a fee-in-lieu option for nonresidential development set at \$30.00 per square foot of bonus area.

Where: East Main District

When program started: 2021

Bellevue City Code reference: LUC 20.25Q.070

Number of apartment units produced: Code amendment is new so has not produced units yet.

Income-level served: Low and moderate income households earning up to 80% AMI.