

Affordable Housing Strategy Progress Report

BELLEVUE CITY COUNCIL STUDY SESSION

March 4, 2019



30 Bellevue, Imagine Housing - 62 low-income units

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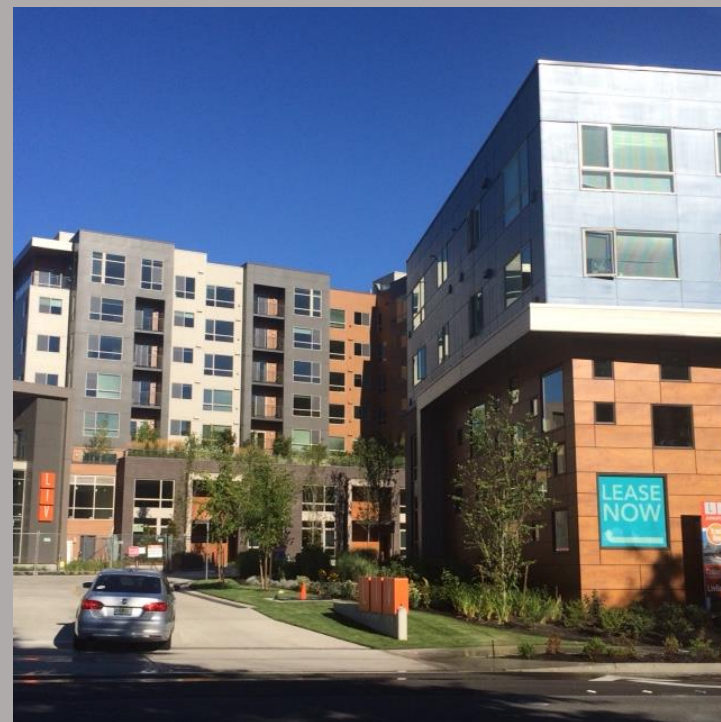
Context

- This is a report back after Council request on the 8-hour rule waiver.
- Bellevue's Affordable Housing Strategy was adopted by resolution in June 2017.
- Its 21 actions are organized under 5 inter-related strategies.
- Bellevue has been implementing these actions based on the council approved 4 year, 2 phase work program.
- The delivery of affordable homes will increase over the implementation period as all the strategies are implemented and gather momentum.



Timeline

- Jun 2017 Council adopts Affordable Housing Strategy
- Aug 2017 Council approves 2-phase work program
- Mar 2017 Council adopts Eastgate zoning with voluntary affordable housing incentive
- Oct 2017 Council adopts DT Livability zoning with voluntary affordable housing incentive
- Feb 2018 Council update of Multi-family Tax Exemption (MFTE)
- Feb 2018 Council reviews C-1 screening criteria
- Nov 2018 Council requests Affordable Housing Strategy progress report



LIV, BelRed FAR incentive - 54 affordable units

Council Request

1. How many units have been achieved?
2. How long to implement remaining actions?
3. Are we on-track to achieve goal?
4. Where are affordable units relative to light rail transit?
5. How many units would we expect to achieve under voluntary versus mandatory incentives?



August Wilson Place, LIHI - 57 low-income units

Affordable homes realized



Hyde Square, BelRed FAR
35 affordable units

Affordable homes realized (Total)

Affordable Housing	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Pipeline	Permitting	Built	Total
Council funds 30Bellevue	62									62	
Council funds Highland Village	76									76	
ADUs permitted 2017			12							12	
Park East: DT LU Incentive			1							1	
888Bellevue Tower: MFTE application				8					8		
888Bellevue Tower: DT LU Incentive				24					24		
Ceresa: MFTE application						31				31	
ADUs permitted 2018							12		12		
Total Affordable Units Added/Funded									44	182	226
Pipeline Projects (estimated totals)											
DT Affordable Housing LU Incentive								6			
DT Affordable Housing LU Incentive								5			
BelRed MFTE (layered with LU incentive)								4			
BelRed LU Incentive (layered with MFTE)								20			
Pipeline Affordable Units Estimated								35			35

Target estimates



Ceresa, MFTE - 31 affordable units

10-Year Yield Work Program Actions

Action	Phase 1 Work Program Actions	10-Year High Yield
C-3	Updated MFTE	650 units moderate income
C-1	Development incentive on suitable public surplus, faith based, and non-profit housing land	(see E-1)
C-4	Voluntary LU incentive - Downtown	45 units, moderate income
	Voluntary LU incentive - BelRed	200 units, moderate income
	Voluntary LU incentive - Wilburton	200 units, moderate income
	Voluntary LU incentive - East Main	20 units, moderate income
	Voluntary LU incentive - Eastgate	10 units, moderate income
C-2	OMFE and 130th, surplus transit opportunities	300 units, mostly low income
A-1	Partner with housing non-profits and housing agencies to preserve existing affordable housing	(see E-1)
E-1	Tap additional local sources for affordable housing	700 units, mostly low income
Phase 2 Work Program Actions		10-Year High Yield
A-2	Advocate for state legislation to extend property tax exemptions to existing MF	110 affordable units
B-1	Encourage micro-apartments around light rail stations through actions such as reduced parking	200 units, moderate income
B-4	Consider changes to down payment assistance program for low-income homeowners	50 units, moderate income
B-2	Update accessory dwelling unit standards and allow detached units in self-selected neighborhoods	300 units, moderate income
		2,785 units

Phase 1 actions

Work Program & Expected Yield

* 2019 work program

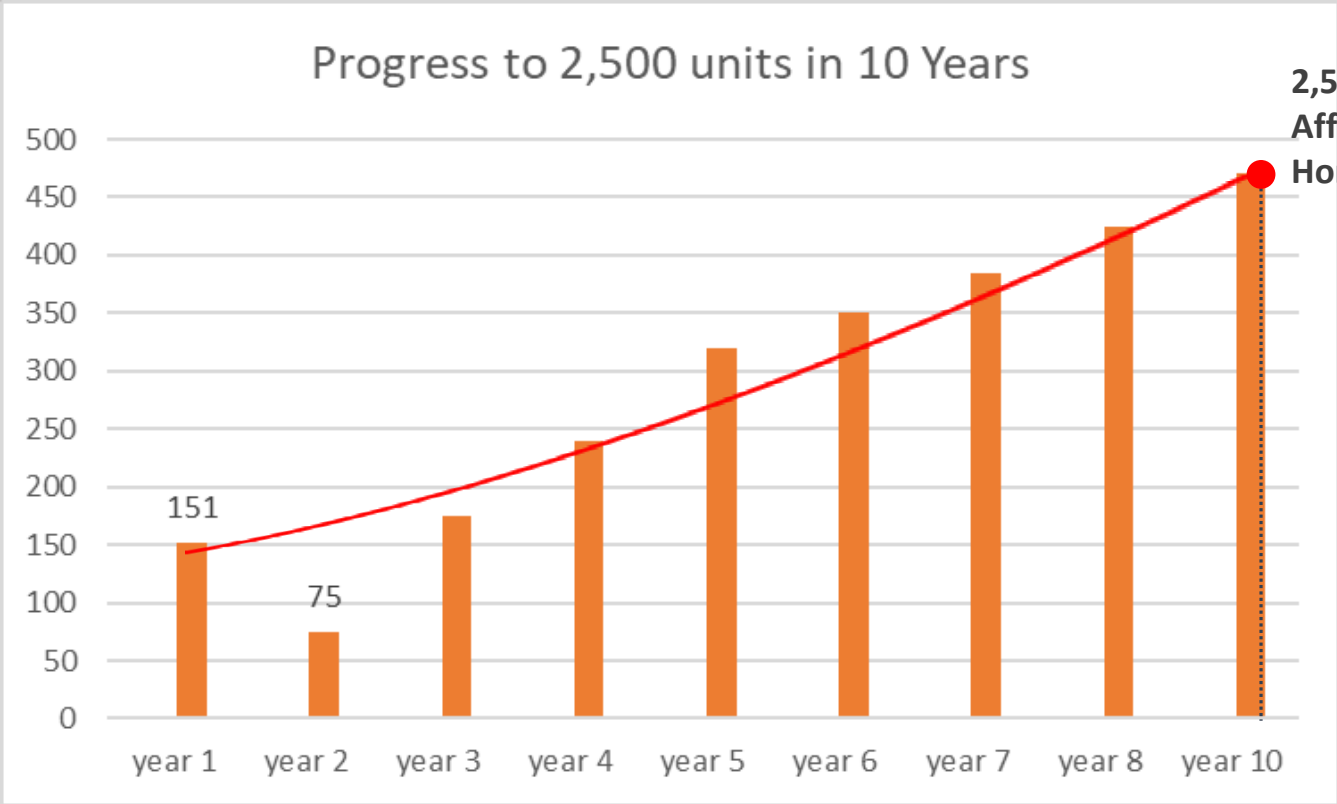
	Phase 1 Work Program Actions	Progress	10 Year High Yield
C-3	Update existing tax exemption programs	Completed	650 units moderate income
C-1*	Increase development potential on suitable public surplus, faith based, and non-profit housing land	Ph. 1 action to review screening criteria completed. Ph. 2 tentative 2019 comp plan amendment and 2020 code amendment	(see E-1)
C-4	C-4 BelRed voluntary density incentives BelRed	Completed	200 units, moderate income
	C-4 Downtown and Eastgate	Completed	55 units, moderate income
	C-4 East Main and Wilburton	Ph. 2- In progress	220 units, moderate income
C-2*	Develop affordable housing on suitable public lands in proximity to transit hubs	Ph. 1 in progress- TOD including AH at 130th Station and OMFE	300 units, mostly low income
A-1*	Partner with housing non-profits and housing agencies to preserve existing affordable housing	Ongoing- pursuing opportunities with our housing partners	(see E-1)
E-1	Tap additional local sources to AH	Completed adopted 2019-2020 budget and CIP dedicated significant additional resources	700 units, mostly low income
A-4	Increase funding for city's home repair and weatherization programs	Delayed- Parks Community Services scheduled for later funding	No units- helps residents stay in their homes
A-5*	Promote energy efficiency in design and construction of affordable units	In progress	No units- helps increase housing affordability
A-6	Promote existing utility rate relief, utility tax relief, and property tax relief programs for income eligible residents	Completed Council approved new Emergency Assistance to the Utility Rate Relief Program. Ph. 2 outreach to promote City, PSE, KC assistance programs	No units- helps residents stay in their homes

Phase 2 actions

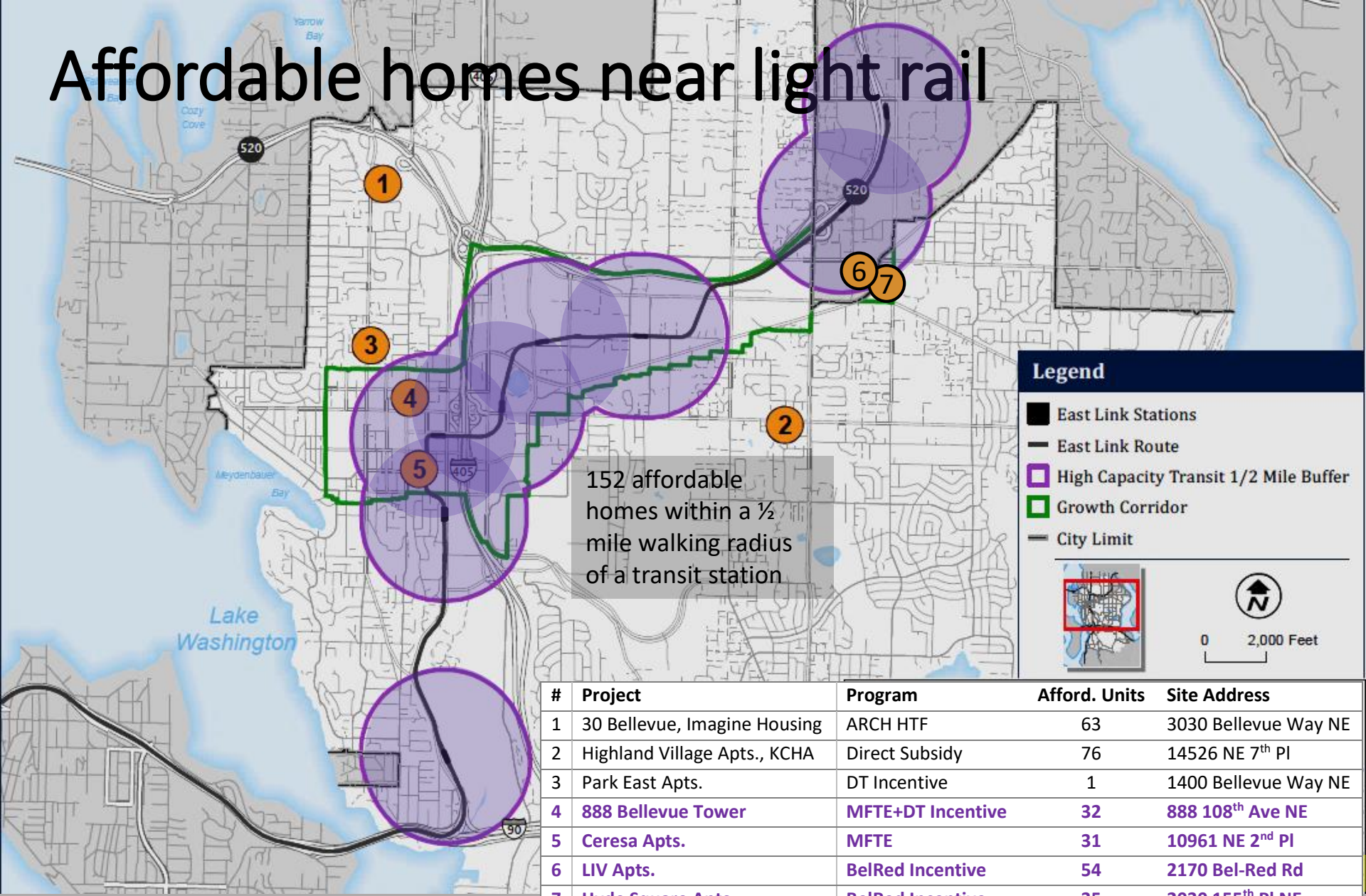
	Phase 2 Work Program Actions	Progress	10 Year High Yield
A-2	Advocate for state legislation to extend property tax exemptions to existing MF with affordable units	Not scheduled, potentially 2020 State Legislative Agenda	110 affordable units
D-2	Advocate for amendments to state condo statues to increase condo development	Included in Bellevue 2019 State Legislative Agenda	No units- helps increase housing choice and affordability
E-3	Advocate for legislative actions that expand state and local funding tools.	Included in Bellevue 2019 State Legislative Agenda and KC Regional Affordable Housing Plan	Leverages local sources (see E-1)
E-2	Pursue funding partnerships with employers, financial institutions, foundations and others.	In progress.	Leverages local sources (see E-1)
B-1	Encourage micro-apartments around light rail stations through actions such as reduced parking	Expected to launch 2019 Q3	200 units moderate income
B-4	Consider changes to the down payment assistance program for low-income and first-time homeowners	Not scheduled 2019 (to follow change to condo liability provisions)	50 units moderate income
C-5	Reduce costs of building affordable housing (e.g. code amendments, lower fees, reduced parking, city funded street improvements)	Not scheduled tentative late 2019, 2020	No units- helps increase housing affordability
B-3	Promote design in affordable units that ensures accessibility for all ages and abilities (e.g. "universal design")	Not scheduled tentative late 2019, 2020	No units- helps residents stay in their homes
A-3	Promote programs that provide social and physical support to allow seniors and disabled to stay in their homes	Not scheduled tentative late 2019, 2020	No units- helps residents stay in their homes
B-2	Update accessory dwelling unit standards and allow detached units in self-selected neighborhoods	In progress tandem with Neighborhood Area Planning	300 units moderate income
D-3	Change the city's approach to density calculation in multi-family for more flexibility in unit size	Not scheduled tentative late 2019, 2020	No units- helps increase housing choice and affordability
D-1	Revise code to reduce costs and process time for building multifamily housing	Not scheduled tentative 2020	No units- helps to increase housing choice and affordability.
Total Yield			2,785 units

Trajectory

Delivery Trajectory



Affordable homes near light rail



#	Project	Program	Afford. Units	Site Address
1	30 Bellevue, Imagine Housing	ARCH HTF	63	3030 Bellevue Way NE
2	Highland Village Apts., KCHA	Direct Subsidy	76	14526 NE 7 th PI
3	Park East Apts.	DT Incentive	1	1400 Bellevue Way NE
4	888 Bellevue Tower	MFTE+DT Incentive	32	888 108th Ave NE
5	Ceresa Apts.	MFTE	31	10961 NE 2nd PI
6	LIV Apts.	BelRed Incentive	54	2170 Bel-Red Rd
7	Hyde Square Apts.	BelRed Incentive	35	2030 155th PI NE

Voluntary vs. mandatory incentives

TOD Growth Area	Voluntary	Mandatory
Downtown	45	165
Bel Red	200	250
Wilburton	200	250
East Main	20	30
Eastgate	10	40
Total	475	735

Recommendations to specific actions

- B-1: Encourage micro apartments around light rail stations through actions such as reduced parking requirements.
Recommendation: Continue scheduled implementation beginning 2019Q3
- C-2: Develop affordable housing on suitable surplus public lands in proximity to transit hubs.
Recommendation: Continue implementation in progress for RFP at 130th and OMFE TOD
- C-3: Update existing tax exemption programs for affordable housing to increase participation by the developers of new housing.
Update completed
- A-5: Promote energy efficiency in the design and construction of affordable units to reduce costs for residents.
Recommendation: Continue interacting with partners.
- C-4: Inclusionary Zoning: Increase zoning as an incentive to provide affordable housing in new development.
Density incentive adopted for Downtown and Eastgate. Continue implementation in progress for East Main and Wilburton.

Tracking

More affordable homes were built in 2017-2018 than the prior 10-year Bellevue average of 85 homes/year.

The annual number of affordable homes is expected to increase as all the 21 actions are adopted & implemented.

The Phase 2 Work Program is on track, with substantial work scheduled in 2019-20.

The current work program is on track to achieve its 10-year goal of 2,500 affordable homes.



Highland Village, KCHA
76 mod/low income family units

Summary

- Bellevue's Affordable Housing Strategy is working, and will gain momentum as all of its actions come online.
- The city can exceed its established affordable housing targets if its strategy is supplemented by corporate underwriting, particularly around new station areas.
- Bellevue's affordable housing needs will gain from a diverse mix of public policy, legislative changes and investments together with private development interests and support.

