

CITY COUNCIL AGENDA TOPIC

Office of Housing launch update

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EXECUTIVE SUMMARY**INFORMATION
ONLY**

The Council will receive an update regarding the new Office of Housing within the City Manager's Office, including structure, role, and near-term priorities.

RECOMMENDATION

N/A

BACKGROUND/ANALYSIS

In early 2024, the Bellevue City Council refreshed both its Strategic Target Areas as well as its 2024-26 Council Priorities. Housing, particularly affordable housing, quickly emerged as a top area of interest. Together, this strategic guidance formed the impetus for the Office of Housing, which was confirmed by the Council during the 2025-26 budget process. The Office formally launched in February 2025.

The new Bellevue Office of Housing is currently located in the City Manager's Office. With oversight from the City Manager and Deputy City Manager, the first phase of the Office combined the Affordable Housing team from the Community Development Department (four positions) with the Homelessness Outreach Program team from the City Manager's Office (four positions), under the supervision of a new Assistant Director (working title: Office of Housing Director). In carrying out its work, the Office partners with staff in multiple city departments and A Regional Coalition for Housing (ARCH), as well as housing developers, funders, and service providers.

The primary mission of the Office of Housing is to facilitate policy, projects, services, and resources that accelerate production and preservation of housing in Bellevue in order to build a welcoming community. The Office will strengthen partnerships, leverage city and external resources, and align city teams to increase housing options and services so that people of all incomes can afford to live in our city and can thrive here. The Office recognizes that homelessness is tied to housing affordability and also seeks to address homelessness by providing community engagement and case management; access to shelter, housing, and services to support housing stability; and facilitating fair enforcement of city code that accounts for the safety and wellbeing of all of Bellevue's residents.

In the first year, the work of Office of Housing is focused on three key areas: organizational development work; housing policy, funding, and development; and continuing the strong work of the Homelessness Outreach Program.

High-priority projects in each category include:

Organizational Development

- A. The City is engaging a consultant for an organizational and funding study to inform future phases of the Office of Housing. The assessment will examine options for an organizational structure to best achieve the City's overall housing goals for both market-rate and affordable housing, as well as for services to promote housing stability for historically marginalized community members, including unhoused residents. It will also assess strategies for sustained funding to spur housing development in Bellevue. Recommendations and deliverables from this project will be used to inform proposals for the next phase of the Office of Housing for the 2027-28 budget cycle as well as the City's long-term organizational strategy for housing, homelessness, and related services.

Housing Policy/Planning/Programs

- A. Affordable Housing Strategy Update. Updating the City's 2017 Affordable Housing Strategy is one of the 2024-2026 Council priorities. Staff launched the update process in November 2024, centered on identifying near-term strategies to meet the city's affordable housing goals. The Council has established an ambitious affordable housing production goal for the 2025 Strategy to produce or preserve 5,700 units over the next 10 years that are affordable to households earning less than 80 percent of Area Median Income (AMI). The first phase of work (Launch Phase) was completed in early April and focused on building the project audience and sharing educational materials. This included hosting an affordable housing film festival, community meetings, and a resource fair. The next phases of work will focus on assessing and refining draft action alternatives, as well as technical analysis and continued community engagement. Staff anticipates Council review of the Affordable Housing Strategy in Q4 2025.
- B. Update the Multi-Family Tax Exemption (MFTE) Program. The MFTE code is a key tool for developers that incentivizes affordable rental housing in mixed-income development projects. Increasing the usage of the MFTE program will be critical in reaching the City's affordable housing production goals. The purpose of the 2025 MFTE update is to boost MFTE enrollment by broadening the program's eligibility, implementing best administrative practices, and analyzing options to layer MFTE requirements with recent mandatory affordability proposals. The MFTE update will incorporate refinements to make the program more effective in expanding production of affordable housing in transit-oriented districts and across the City. Staff is currently conducting preliminary planning and analysis for the update. Staff plans to return to Council for a study session, with adoption of the updated MFTE program anticipated in Q4.
- C. Support faith-based property owners in developing affordable housing through the C-1 Phase 1 & 2 program. Two projects with local non-profit developer Imagine Housing are already moving forward; the St. Andrews property will have 100 family-sized affordable units, and the St. Peters property will likely provide an additional 100 units.

Housing Funding

- A. Facilitate 2025 annual Housing Stability Program funding round, in partnership with Parks and Community Services and ARCH. In the 2024 round, the City awarded funding to Congolese Integration Network for Amani Home. Amani Home will provide transitional housing and services for five families at a time who are recent immigrants and were experiencing homelessness.
- B. Establish internal criteria for use of the Long Term Planning Reserve for Housing, created in the 2025-26 budget, to inform property acquisitions and/or gap financing for new construction that expands affordable housing in Bellevue. Affordable housing investments are carefully coordinated in partnership with ARCH.
- C. Seek to leverage resources and funding partnerships to accelerate production and preservation of affordable housing.

Housing Development on City Owned Properties

- A. Accelerate redevelopment of city-owned properties for affordable housing. The city is currently accepting proposals for two unique parcels. The half-acre Wilburton site and one-acre Kelly site in BelRed are both prime transit-oriented locations and could together provide up to 400 new affordable apartments. Proposals are being accepted until June 2, with selection of development teams anticipated for Q3 2025. A solicitation for a second BelRed parcel, in partnership with Sound Transit, is being led by Economic Development, and is expected to provide 450 market-rate housing units.
- B. Pursue opportunities for affordable housing in future redevelopment plans for city-owned Metro and Lincoln Center sites.

Homelessness Response

- A. Continue to provide effective outreach, housing navigation, and encampment response. In the first quarter of 2025, the outreach team engaged with 193 individuals experiencing homelessness in Bellevue.
- B. Continue the successful Safe Parking Program and identify a long-term host location. Approval of the extension to the operational contract with 4 Tomorrow is on the May 6 Council Consent Calendar.
- C. Launch an outreach data dashboard on City website, which will provide regular updates on the number and demographics of individuals served, as well as housing outcomes and community requests.
- D. Expand severe weather response capacity with Eastside and regional partners.
- E. Work with King County Regional Homelessness Authority (KCRHA) on Eastside Subregional Plan and other initiatives.

The Council and community can expect regular touchpoints on Office of Housing projects moving forward. The Affordable Housing Strategy Update and MFTE Code update will continue to offer multiple opportunities for community engagement through late 2025; the development team selection process

for the city-owned sites will take place over the summer and early fall; and the Homelessness Outreach team participates regularly in neighborhood meetings and educational events.

POLICY & FISCAL IMPACTS

Policy Impact

The creation and work of the Office of Housing directly implement several Strategic Target Areas and Council Priorities, including:

High Quality Built and Natural Environment Strategic Target Area

- Residents have access to a wide variety of housing types in Bellevue to meet the needs of households across all income bands and life stages.
 - Objective 4.1 Provide for a variety of housing types that support a range of needs and levels of affordability and enhance vibrant communities.

2024-26 Council Priorities

- Update the Affordable Housing strategy and targets with a focus on implementing high-priority actions.
- Identify and implement strategies to facilitate use of city-owned property for affordable housing development.
- Support programs related to homelessness prevention and programs that help quickly house individuals experiencing homelessness.

Fiscal Impact

Funding for the initial phase of the Office of Housing is included in the adopted 2025-26 budget.

OPTIONS

N/A

ATTACHMENTS

N/A

AVAILABLE IN COUNCIL LIBRARY

N/A