

**Additional Information Requested by Councilmembers
during the October 21, 2025 MFTE Discussion**

1. What opportunities are there to incentivize the production of 3-bedroom units through MFTE?

3-bedroom units currently account for only 2% of overall MFTE units (9 out of 472 units). As the unit mix for MFTE units is proportional to the overall unit mix of the property, this is not an issue unique to this program but driven by overall project design, financial considerations, and market demand.

The City currently requires MFTE buildings with fewer than 15% two- and three-bedroom units to either set aside additional affordable units or provide deeper affordability. This helps incentivize a minimum number of family sized units within MFTE buildings. Since this rule was adopted in 2021, all MFTE buildings have followed this 15% requirement.

2. Why does the City require parking for MFTE units within a half mile of transit?

Bellevue currently allows reduced parking minimums for all residential projects within a half mile of frequent transit service. Furthermore, Development Services will be initiating work to adopt code changes in line with SB 5184, which will further cap parking minimums. There are no parking minimum regulations specific to MFTE units.

The City does not require MFTE-designated parking stalls and does not require MFTE renters to receive priority for available parking stalls. If an MFTE renter chooses to rent a parking stall, they receive a 30% discount (does not apply downtown). When the City studied parking needs in 2021, staff found that over 90% of those on ARCH's housing list looking for rental housing in Bellevue indicated a need for parking. Current parking data at existing MFTE projects indicates a similarly high level of need, with around 80% of MFTE renters renting a parking spot.

Despite the high level of need for parking among MFTE renters and the burden it puts on housing costs, the current discount potentially incentivizes MFTE renters to drive cars where other transit options are available. In order to incentivize the use of MFTE in transit-oriented development projects, staff recommends expanding the downtown exemption such that all projects within a half mile of frequent transit service are no longer required to provide the 30% discount.

3. Can the City implement workforce requirements for MFTE projects?

In 2021, the state legislature adopted SB 5287, permitting local governing authorities to include prevailing wage, apprenticeship, or contractor inclusion requirements as a condition of MFTE. By itself, a property that uses MFTE is not considered a public works project and therefore is not subject to mandatory prevailing wage requirements.

Currently there are no cities that have chosen to attach workforce requirements to an MFTE program. Workforce requirements may reduce MFTE's effectiveness as a housing

development incentive by adding project costs. However, such a requirement could play a role as a workforce development incentive, helping provide opportunities for younger workers and local women and minority-owned businesses. Prevailing wage rates would have the most significant impact on project costs, while apprenticeship and contractor inclusion requirements would be less costly.

4. Is there a way for the City to address third party renter screening challenges that make it more difficult to lease MFTE units?

Neither City nor ARCH directly conduct renter screenings. For MFTE units, ARCH requires applicants to submit an eligibility form and specific income documents, which are then reviewed by the building's property management staff. Generally, ARCH requires an applicant's latest W2 and tax return, and past 90 days of paystubs. These are documents that properties typically ask for, regardless of whether a prospective renter is applying for a market rate or MFTE unit.

While ARCH establishes minimum evaluation criteria for MFTE units, individual properties may establish different criteria to evaluate rental applicants by, and some may require more stringent documentation than others. Additionally, properties may choose to use third party services to verify income, credit, criminal background, etc. These general rental screening processes are separate from the MFTE application process and are ultimately a business decision for each property owner. As such, the City's ability to eliminate barriers lies in the MFTE-specific application requirements, which are already relatively minimal.

5. Introducing the Wilburton Supercharger as a catalyst program.

Staff initially explored the possibility of adopting the Supercharger as a catalyst program, offering it for a limited period of time only. In response to stakeholder feedback expressing a strong desire to make the program permanent, this approach shifted to recommending a "look-back" in a few years, at which point additional data will be available to inform potential changes to the program. In particular, stakeholders noted concern over the uncertainty of the Supercharger's availability once projects reach a point where they're ready to apply to MFTE. The catalyst approach may also add additional administrative burden for both applicants and City staff. On the other hand, this approach may incentivize developers to commit to MFTE units earlier in the development process.

Staff recommends the "look-back" approach, which simplifies administration while still establishing a specific date for program reevaluation. In either scenario, staff will revisit the changes within four years, when the first set of projects under the new Wilburton code are anticipated to near completion. In particular, staff will evaluate the number of projects using the Wilburton Supercharger vs. the new 8-year program, and how many additional affordable units were created. Staff will also evaluate the fiscal impact of the program and the rent savings produced.