

**CITY COUNCIL AGENDA TOPIC**

Recommended 2026-2032 Affordable Housing Strategy

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**EXECUTIVE SUMMARY****DIRECTION**

Based on Council direction, staff has updated the Affordable Housing Strategy. The City Council will review the recommended Affordable Housing Strategy, which incorporates Council guidance and extensive public input. Staff seek Council direction to prepare the recommended Strategy for adoption at a future meeting.

**RECOMMENDATION**

Consider directing staff to prepare the Affordable Housing Strategy for action at a future meeting.

**BACKGROUND/ANALYSIS**

Staff will present the recommended 2026-2032 Affordable Housing Strategy (AHS or Strategy), included as Attachment A, for review by Council at this meeting. This marks the culmination of over 12 months of work, which has included evaluating prior affordable housing growth, conducting extensive public outreach and engagement, updating the city's housing goals, analyzing new strategies to achieve the goals and implement recently adopted policies relating to housing affordability in the Comprehensive Plan, and finalizing a recommended Affordable Housing Strategy for Council action. The Strategy is designed to accelerate affordable housing growth and advance work to address housing-related needs in Bellevue.

**Background and Approach**

The Affordable Housing Strategy is a short-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 Bellevue City Council adopted its existing Affordable Housing Strategy in 2017. As part of the Strategy, the Council established a goal to build or preserve 2,500 affordable units over 10 years (2017-2027). As of the end of 2023, the original target was met early, and most Strategy actions were either complete or in-progress.

In November 2024, Council initiated the update of the Strategy and established a new target to build or preserve 5,700 affordable units in ten years, based on assessment of need in Bellevue. The new affordable housing target includes sub-targets for income levels below 80% of area median income (AMI), shown in Table 1.

Table 1: 10-Year Affordable Housing Target (2026-2036)	
0-30% AMI	2,700
30-50% AMI	1,450
50-80% AMI	1,550
Total	5,700

The updated AHS will cover the years 2026 to 2032, aligning the city on a path towards meeting this significant new affordable housing target. The AHS consists of a suite of strategies and actions to improve housing affordability and address accessibility, equity, and stability. The actions help the city to build and preserve affordable housing; implement housing policy direction; and respond to changing market conditions and needs.

The plan update was divided into five phases:

1. **Pre-Launch** (June – October 2024) Engage technical stakeholders on the starting point affordable housing target.
2. **Launch** (November 2024 – April 2025) Provide information and educational opportunities on affordable housing topics.
3. **Assess** (May – August 2025) Develop and conduct technical analysis to evaluate possible actions.
4. **Refine** (September – December 2025) Work with technical stakeholders to prioritize strategies within the update; draft the plan.
5. **Adopt** (January – February 2026) Recommended strategy is reviewed by City Council.

### Community Engagement Approach

Robust community engagement is essential to ensuring the AHS appropriately addresses the housing needs of our growing community. AHS community engagement efforts were tailored to three different constituencies.

- **Organizational partners** - technical experts related to housing and services, including affordable housing and market-rate housing developers and social service providers
- **Lived experience** - those needing or utilizing affordable housing in Bellevue, including residents of affordable housing and households seeking affordable housing
- **General public** - Bellevue residents, workforce, and other community members

Throughout the planning process, the Affordable Housing Strategy team sought to listen and engage community members and partners across the spectrum to understand their needs and priorities. Since the Council launched the update in November 2024, staff have engaged with 60 organizations, 325 residents at public events, and over 150 more people through lived experience listening lessons. That input helped the city refine and prioritize the strategies and actions within the draft plan. Staff also maintained a project website that invited input and provided information and draft documents about the AHS.

The engagement process was guided by three objectives and builds upon policy guidance within the Bellevue 2044 Comprehensive Plan.

- **Provide information on affordable housing.** Everyone comes to the subject of affordable housing with their own knowledge and experience. The project team worked to provide a foundation of information for interested community members to engage through activities like a short-story film festival and affordable housing 101 event and video series.
- **Invite community members to inform the Strategy.** The project created opportunities for a broad array of voices to be heard at different stages in the process through activities like public information sessions and a public survey.
- **Elevate diverse and representative voices in the process.** The process aimed to elevate the voices of those with lived experience of housing insecurity, limited resources, who have other barriers to participation, using a community facilitators pilot program.

Community feedback strongly affirmed the lack of affordable housing options across income levels. Frequently heard themes from community feedback are summarized below:

- The city should address housing needs urgently through bold and decisive actions and new funding options.
- The city should focus efforts on those who are least served by the private market (<50% AMI).
- The ability to stay in one place – either the same home or neighborhood – through one’s life helps people feel like they belong and that they can contribute to their community.
- Housing solutions need to be paired with access to supports, services and neighborhood amenities.
- A variety of affordable housing types are needed to address the needs of different populations, including seniors, families and those with disabilities.
- Affordable housing needs to be sited, designed and operated with the residents in mind and to enhance the surrounding neighborhood.
- Navigating the process of finding affordable housing is complex and even more challenging for those in crisis or who do not speak English as a first language.
- The city needs to simplify codes and regulations to help developers and providers to focus on meeting affordable housing needs.
- The city should actively seek out public-private partnerships to scale up the production of affordable housing.
- The city has an opportunity to build community-wide support for more housing through education and information.

The feedback and stories shared by community members were used to give context for the Strategy, identify challenges and opportunities, and refine and prioritize actions. The themes are reflected and incorporated throughout the Strategy. A full report on engagement activities and findings is available as Attachment C.

### *Phase III Outreach and Engagement*

Prior Council items included summaries of Phase One and Phase Two engagement. A summary of Phase Three engagement is included here for reference. Phase Three engagement occurred during October and November and was focused on refining proposed strategies and identifying high-priority actions. Engagement activities were targeted towards organizational partners and the general public. Organizational partners were engaged through presentations to housing forums, a feedback event, and

virtual survey to understand prioritization and successful implementation of proposed strategies and actions. The general public was engaged through an in-person open house and online survey to inform them of the draft strategies and solicit comments and questions about the work. Below is an overview of feedback, including some specific feedback on action plan items:

- Focus city efforts on those least likely to be served by the market, emphasizing that deeper affordability has a deeper benefit, despite costing more.
- Equity as a consistent priority for housing actions. Feedback noted that equity is beyond creating more low-income units, but also about ensuring stability, access and cultural relevance of housing.
- In response to proposed exploration of a rental registration program, some stakeholders expressed concern regarding adding additional requirements, and therefore cost, to housing. The strategy remains in the draft Action Plan, as it reflects other community input regarding a need for more safeguards for rental housing. Any potential program would be thoughtfully designed to mitigate impacts to owners and managers and reduce cost pass throughs to tenants.
- Union representatives expressed support for workforce standards (apprentice utilization, prevailing wage requirements, etc.) for affordable housing developments as a workforce development tool. Staff did not incorporate new strategies in response to this feedback, but the city's current apprentice program addresses some of these interests.
- Housing stability is a priority that showed up in many ways - homeownership, being able to age in place, and for support programs like rental assistance and housing navigation to help people stay in or more readily access affordable housing options and resources.

Feedback provided during this phase provided input on final revisions to draft strategies and actions and informed the selection of high-priority actions within the action plan.

### **Recommended Affordable Housing Strategy Overview and Highlights**

The recommended Strategy represents input from the community, organizational partners, and staff from multiple city departments; technical analysis from an experienced consultant team; and consideration of established best practices in housing policy. Since the launch of the Strategy update with Council in November 2024, staff have regularly shared updates with the Council on the strategy's structure, goals, and strategies.

For this study session staff are bringing forward the complete recommended Strategy to Council for review. The 2026-2032 Affordable Housing Strategy, and the companion Affordable Housing Action Plan that will help guide implementation (Attachment B), will move the city towards meeting its affordable housing target and enact the vision and policy of the city established in the Council's Strategic Target Areas and Comprehensive Plan.

The recommended Strategy is organized into five goals:

- **Affordable Housing:** Focuses on increasing the supply of income-restricted affordable housing.
- **Housing Equity:** Focuses on eliminating disparate impacts in housing by race, ethnicity, status, sexual orientation, ability and income.

- **Housing for Unique Needs:** Focuses on having more housing available and affordable for those with unique needs.
- **Housing Stability:** Focuses on the ability of low- and moderate-income households to remain in their home and neighborhood.
- **Housing Supply and Diversity:** Focuses on having more housing in general and more housing types available to meet the needs of people at all stages of life.

Under each goal are a set of strategies to help achieve the goal's objectives. A list of specific implementation actions is provided in the Action Plan and are categorized as one of three types to better communicate impact towards the city's housing goals:

- **Target:** These actions directly support the production or preservation of affordable housing units to meet Bellevue's affordable housing target.
- **Catalyst:** These actions create the conditions needed to produce or preserve affordable housing and advance progress toward Bellevue's affordable housing target.
- **Community:** These actions have the potential to meaningfully address the housing barriers and needs of community members.

The Action Plan identifies a range of specific policy, funding, and program-related actions that can be implemented across the 7-year timeframe of the Affordable Housing Strategy. Implementation of the Affordable Housing Strategy prioritizes high-impact actions that align to the objectives of creating or preserving under 50% AMI units, remedying or addressing inequitable outcomes or results, and improving the effectiveness of existing tools. Twenty high-priority actions are identified to emphasize for implementation over the 7 years.

At the October study session, Council expressed a desire to better understand specific outcomes and tradeoffs associated with implementation. All strategies and actions were evaluated to determine approximate costs and benefits. Strategies and actions identified as highest impact and are closely aligned with the goals above are elevated as high-priority strategies. With full implementation of the priority actions and additional investment, it is estimated that the city can achieve an over 4,000 increase in affordable housing units by 2036. This represents almost double the production estimated without Strategy implementation and a significant shift towards under 50% AMI units.

### **Implementation and Next Steps**

The recommended 2026-2032 Affordable Housing Strategy includes high impact strategies to put Bellevue on track for achieving the city's short- and long-term housing goals. The action plan includes a suite of actions for implementation that are phased across the near-, mid-, and long-term. These actions are focused on actions led by the city, but many of the efforts require partnership and engagement with community members and other partners to achieve the objectives.

Implementation as a whole is coordinated by the Office of Housing, but many departments are responsible for leading or supporting implementation of individual actions. Progress will be shared through regular updates to City Council and through ongoing community engagement and communications.

The Strategy's outcome and performance metrics are intended to generate more in-depth discussions throughout the implementation of the plan. Some actions will require further analysis and policy

direction from Council regarding the implementation options and trade-offs, along with the associated cost to the city and impacts. Other actions aim to generate revenue and resources for affordable housing. As part of the next biennium budget process, staff will provide more detailed analysis of the costs and an evaluation of potential new revenue sources to support plan implementation.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

The Affordable Housing Strategy is a functional plan that implements the approved policies in the Housing Element of the Comprehensive Plan and aligns with the “High Quality Built and Natural Environment” and “Thriving People and Communities” Council Strategy Target Areas.

### **Fiscal Impact**

The adopted 2025-2026 City Budget includes funding to support the Affordable Housing Strategy update and ongoing implementation of affordable housing projects and programs. Additional fiscal impacts of implementation actions will be addressed in the city’s next biennial budget process.

## **OPTIONS**

1. Direct staff to prepare the 2026-2032 Affordable Housing Strategy Update for action at a future meeting.
2. Provide alternative direction to staff.

## **ATTACHMENTS**

- A. Draft 2026-2032 Affordable Housing Strategy
- B. Draft Affordable Housing Action Plan
- C. Engagement Summary

## **AVAILABLE IN COUNCIL LIBRARY**

2017 Affordable Housing Strategy