

Attachment C:

Affordable Housing Fund Evaluation Criteria and Program Priorities

City of Bellevue Affordable Housing Fund

Background

The City of Bellevue (“City”) currently holds a balance of funds generated from Fee-in-Lieu payments and previous City affordable housing appropriations – together, the Affordable Housing Fund, or AHF. The Affordable Housing Fund, unlike the existing Housing Stability Program, consists primarily of non-renewable sources that have accumulated over time and now represents an opportunity for the City to make a meaningful, timely infusion of local funding. The deployment of AHF monies will play an important role in reaching the City’s affordable housing production goal of producing or preserving 5,700 affordable units over the next 10 years for households earning below 80% of Area Median Income (“AMI”).

AHF Program Priorities

In the 2025 Funding Round, the City considered applications for the development and preservation of affordable housing. Any project that provided affordable rental units below 80% AMI or homeownership units below 100% AMI were eligible to apply for AHF funding.

However, the most successful projects incorporated one or more of the following elements:

- Rental housing projects supporting units between 0-50% AMI, or 0-60% AMI for strong proposals (i.e. satisfies other priorities).
- Homeownership units available to households earning between 0-80% AMI.
- Projects that provide homeownership opportunities through the development of long term resale restricted ownership units.
- Projects that prioritize family-sized units (2 or more bedrooms).
- Projects that partner with faith-based organizations or non-profit housing entities in supporting the development of affordable housing.
- Projects that demonstrate innovative and inclusive design, including but not limited to:
 - Universal design elements
 - Novel construction methods (e.g., cross-laminated timber, modular construction)

Evaluation Criteria

Proposals were evaluated against the following criteria, which align with the HSP evaluation criteria:

- **Cost** - Financial feasibility and/or cost effectiveness of the project
- **Agency Capacity** - Capacity of the applicant team to develop and operate the project including financial (Financial statements and Real Estate Owned Schedule) and staff capacity.
- **Leveraging** - Leverage of non-City funding sources
- **Citywide Approach** - Geographic distribution of housing opportunities across Bellevue
- **Project Readiness** - Ability to deploy funds quickly and respond with urgency to the current housing crisis
- **Partnerships** - Demonstration of committed partnership(s) and collaboration with other entities to develop and operate project, if applicable

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- **City Planning** - Meet critical needs and gaps as identified in City planning documents
- **Equity** – Projects that serve underserved populations and address the disproportionate impacts of homelessness and housing instability on communities of color

Eligible Uses of Funds

- Funding may be used for the capital costs of constructing or acquiring affordable housing, which may include emergency, transitional and supportive housing, and new units of affordable housing within an existing structure. Such costs may include:
- Land acquisition, including related costs such as appraisals, excise tax, recording fees and other transaction costs
- Acquisition of existing buildings, including related soft costs such as a property condition report, capital needs assessment, appraisals and other transaction costs
- Construction activities, including site development, building construction, renovation or conversion of existing properties, and related sales tax
- Project reserves
- Project soft costs including, but not limited to, feasibility reports, design, permitting expenses, and developer fee

Eligible Applicants

Successful applicants must have demonstrated the capacity to develop, own, and operate the proposed project. Eligible entities include:

- Non-profit organizations
- Private for-profit organizations
- Public housing authorities
- Public development authorities
- Units of local government
- Partnerships involving combinations of the above groups were encouraged, especially when
- necessary to demonstrate capacity in all areas of the project.