



CITY OF BELLEVUE

# Implementing the 2017 Affordable Housing Strategy

## 2017-2023



## Implementing the 2017 Affordable Housing Strategy

The Bellevue City Council adopted its Affordable Housing Strategy (AHS) in 2017. The 2017 strategy included 5 overarching strategies and 21 actions to expand affordable housing opportunities in Bellevue. In 2022, Council approved the Next Right Work (NRW) to continue the affordable housing work plan. Next Right Work includes 5 actions with various steps and phases.

The 2017 strategy identified both implementation and performance tracking as key components of the monitoring program. Implementation monitoring tracks which of the AHS actions are being implemented and the extent to which city partners – including other public agencies and private sector entities – are participating. Performance monitoring identifies whether AHS actions are achieving the desired results. Performance indicators for each strategy were identified in the 2017 AHS.

This document summarizes implementation and performance of the five overarching strategies. Each strategy include four components:

1. **Overview:** a summary of key implementation actions and challenges
2. **Performance Metrics:** report of metrics identified as performance measures in the 2017 AHS. Note: Full performance metrics tables reported in Appendix.
3. **Implementation Actions:** list of efforts by AHS actions, includes status and where quantifiable, estimated impact.



**Complete**



**Ongoing or  
Continuous**



**No Action**

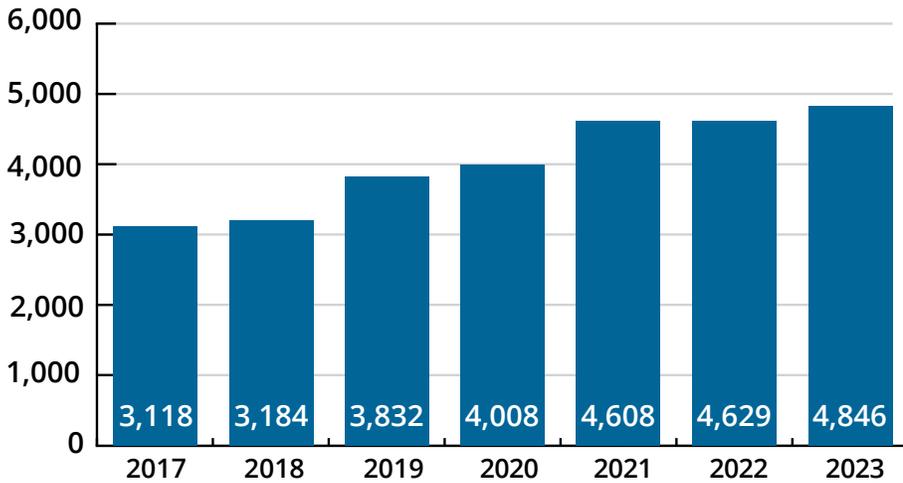
4. **Impact Summary:** cumulative impact of actions reported implementation actions as these can have impact beyond those reported in the performance metrics.

## A. Help People Stay in Affordable Housing

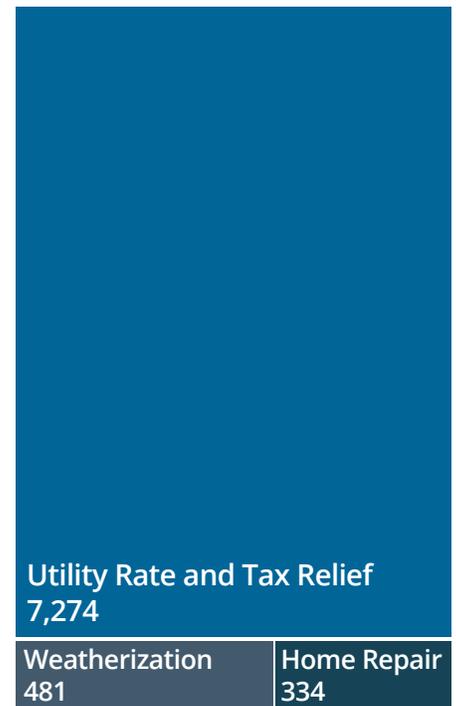
Strategy A addresses issues of housing stability and access with a suite of actions aimed to preserve existing affordable housing and help to stabilize housing costs. The City implements this strategy through a number of actions focused on partnering with nonprofits, preservation and acquisition, and supporting housing stability and improvement programs. Challenges included responding to the COVID-19 pandemic and navigating limited funding availability.

### 2017 Performance Metrics:

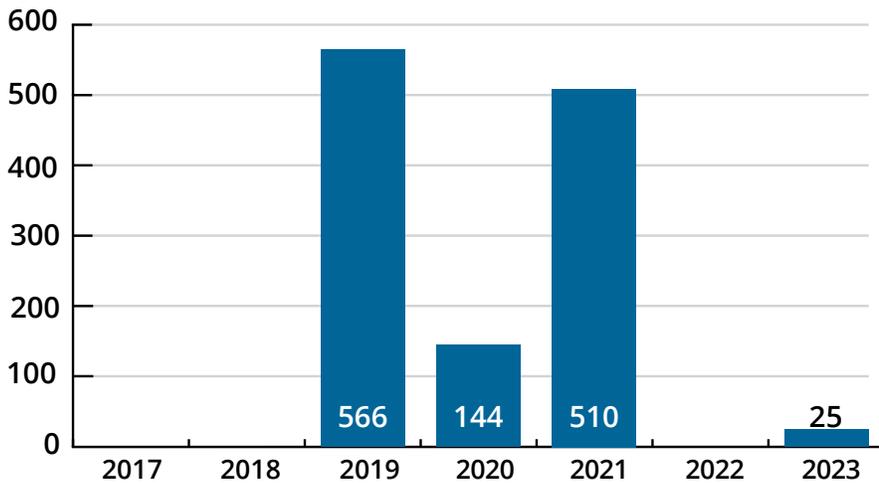
**Total number of affordable housing  
2017-2023**



**Households served  
by program  
2017-2023**



**Number of existing affordable apartments preserved  
2017-2023**



**Implementation Actions:**

A. Help People Stay in Affordable Housing			
Status	Strategy/Action	Year	Impact (If quantified)
	A-1. Partner with non-profit organizations and housing agencies to fund the purchase of existing, affordable multi-family housing to preserve it for the long term		
	<ul style="list-style-type: none"> <li>Partnered with LIHI to acquire Aventine Apartments (66 units)</li> </ul>	2024	66 in-service affordable units
	<ul style="list-style-type: none"> <li>Partnered with KCHA to acquire Illahee Apartments (36 units)</li> </ul>	2021	36 in-service affordable units
	A-2. Advocate for state legislation to extend property tax exemptions to existing multi-family properties that agree to set aside some apartments as affordable		
	<ul style="list-style-type: none"> <li>Supported state legislation to allow conversion projects to be eligible for MFTE; passed by Legislature ESSSB 6175</li> </ul>	2024	
	A-3. Promote programs that provide social and physical support to help seniors and disabled people remain in their homes		
	<ul style="list-style-type: none"> <li>Change to “Human services contract provided to agencies to support services to seniors and disabled people</li> </ul>	2017-2024	
	A-4. Increase funding and expand eligibility for the city’s home repair and weatherization programs		
	<ul style="list-style-type: none"> <li>Funding is determined by HUD. Loan repayments have naturally grown the amount of funding available.</li> </ul>	2017-2024	815 households served
	A-5. Promote energy efficiency in design and construction of affordable units to reduce costs for residents		
	<ul style="list-style-type: none"> <li>Implementing green building requirements and incentives in Wilburton TOD Area as part of Sustainable District Opportunity Assessment</li> </ul>	Ongoing	
	<ul style="list-style-type: none"> <li>Established the Energy Smart Eastside program to provide heat pumps to low- and moderate-income homeowners in Bellevue and across the Eastside. Program includes retrofits of affordable housing units</li> </ul>	2022	100 Bellevue households served

Status	Strategy/Action	Year	Impact (If quantified)
	<ul style="list-style-type: none"> <li>▪ Land Use Code Amendments for                             <ul style="list-style-type: none"> <li>▫ East Main Amenity Incentive for Sustainability Factor (LUC 20.25Q.070)</li> <li>▫ East Main Green and Sustainability Factor (LUC 20.25Q.120)</li> </ul> </li> </ul>	2021	
	<ul style="list-style-type: none"> <li>▪ Land Use Code Amendments                             <ul style="list-style-type: none"> <li>▫ Downtown Amenity Incentive for Sustainability Factor (LUC 20.25A.070)</li> <li>▫ Downtown Green and Sustainability Factor (LUC 20.25A.120)</li> <li>▫ BelRed Amenity Incentive for Sustainability Factor (LUC 20.25D.090)</li> </ul> </li> </ul>	2017	
	A-6. Promote existing utility rate relief, utility tax relief, and property tax relief programs for income-eligible residents		
	<ul style="list-style-type: none"> <li>▪ Review and extension of utility rate relief and utility tax relief programs</li> </ul>	2018	7,274 households served (duplicates included)

### Impact Summary

While not every action has a quantifiable impact, information below highlights some of the impact:



**102** Affordable Units Preserved under Actions



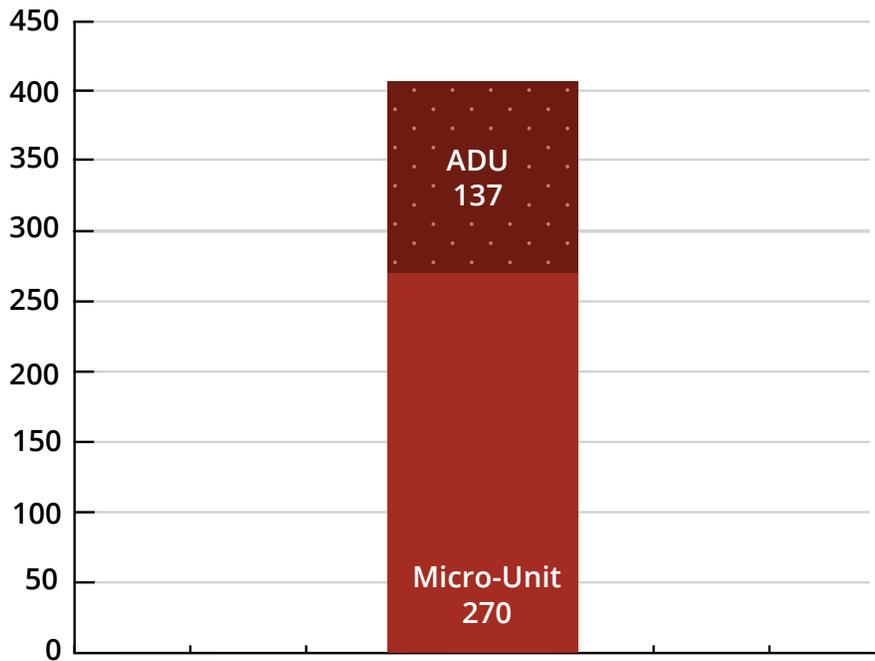
**8,189** Households Served under Actions (may be duplicated)

## B. Create a Variety of Housing Choices

This strategy focuses on providing for diverse individual housing needs at all stages of life, help to ensure new residents are welcomed, and to ensure that long-term residents have the opportunity to remain in Bellevue. The City continues to implement this strategy primarily by advancing code amendments to encourage diverse housing types.

### 2017 Performance Metrics:

Number of middle housing permits issued by type  
2017-2023



### Implementation Actions:

B. Create a Variety of Housing Choices			
Status	Strategy/Action	Year	Impact (If quantified)
✓	B-1. Encourage micro-apartments around light rail stations through actions such as reduced parking requirements		
✓	<ul style="list-style-type: none"> <li>Adopted LUCA to remove barriers to micro-apartments (NRW)</li> </ul>	2023	270 permits
✓	<ul style="list-style-type: none"> <li>Adopted MFTE code provisions for micro-apartments</li> </ul>	2023	

Status	Strategy/Action	Year	Impact (If quantified)
	B-2. Update accessory dwelling unit standards and allow detached units in self-selected neighborhoods		
	<ul style="list-style-type: none"> <li>Advancing LUCA to revise regulations to allow DADUS and up to 2 ADUs per lot</li> </ul>	Ongoing, completion by 6/2025	
	<ul style="list-style-type: none"> <li>Adopted LUCA to reduce barriers for ADUs and allow AADUs to be sold separately (NRW)</li> </ul>	2023	137 permits
	B-3. Promote design in affordable units that ensures accessibility for all ages and abilities (e.g. "universal design")		
	<ul style="list-style-type: none"> <li>No actions identified</li> </ul>		
	B-4. Consider changes to the down payment assistance program for low-income and first-time homebuyers		
	<ul style="list-style-type: none"> <li>ARCH working with King County and WSHFC on changes to loan terms to increase utilization</li> </ul>	Ongoing	
	<ul style="list-style-type: none"> <li>ARCH conducted analysis on the utilization of the downpayment assistance program but no changes were advanced</li> </ul> <p><i>Note: Program utilization has been low across East King County due to loan terms, limited resources, and high home prices.</i></p>	2020	1 Bellevue household served

### Impact Summary

While not every action has a quantifiable impact, information below highlights some of the impact:



**1** Household Served Under Actions (may be duplicated)



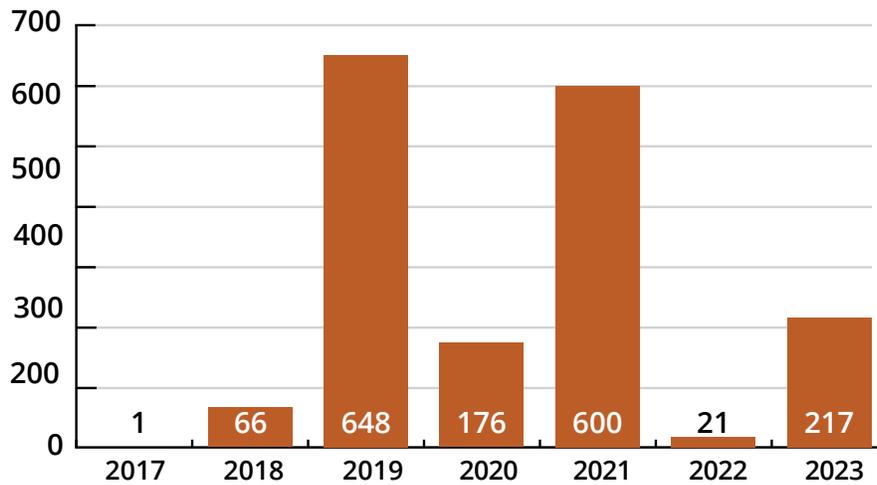
**407** Permits Issued Under Actions

## C. Create More Affordable Housing

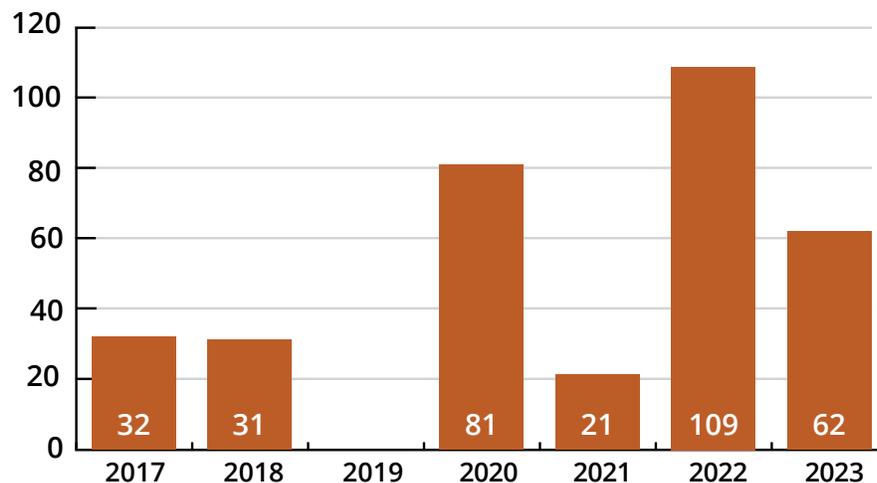
This strategy intends to increase the amount of housing affordable to people at lower and moderate-income levels. The City continues to implement this strategy by leveraging resources for affordable housing development and recalibrating the City's affordable housing incentive programs.

### 2017 Performance Metrics:

Total number of affordable housing units produced/preserved in Bellevue  
2017-2023



Number of affordable apartments created through MFTE  
2017-2023



**Implementation Actions:**

C. Create More Affordable Housing			
Status	Strategy/Action	Year	Impact (If quantified)
	C-1. Increase development potential on suitable land owned by public agencies, faith-based and nonprofit housing entities for affordable housing		
	<ul style="list-style-type: none"> <li>Adopted Phase 2 LUCA for C-1 faith-based properties</li> </ul>	2023	25 pipeline affordable units
	<ul style="list-style-type: none"> <li>Adopted Phase 1 LUCA for C-1 faith-based properties</li> </ul>	2021	7 pipeline affordable units
	<ul style="list-style-type: none"> <li>Provided funding for workforce affordable housing and permanent supportive housing at the Eastgate campus, on what was originally surplus county land</li> </ul>	2019, 2020	452 in-service affordable units
	C-2. Develop affordable housing on suitable surplus public lands in proximity to transit hubs		
	<ul style="list-style-type: none"> <li>Evaluating surplus sites, including the BelRed, Metro, and Lincoln sites, for development potential and exploring development partners</li> </ul>	Ongoing	
	<ul style="list-style-type: none"> <li>Provided funding for Bridge Housing’s project on surplus Sound Transit OMFE site</li> </ul>	2023/2024	234 pipeline affordable units
	<ul style="list-style-type: none"> <li>Evaluated city-owned property for surplus potential and suitability for affordable housing</li> </ul>	2018	
	<ul style="list-style-type: none"> <li>Updating facilities plan to assess municipal operations and opportunities for colocation of housing with capital facilities.</li> </ul>	Ongoing, est. completion by 3/2025	
	C-3. Update existing tax exemption programs for affordable housing to increase participation by developers of new housing		336 in-service and pipeline affordable units
	<ul style="list-style-type: none"> <li>Updated and simplified MFTE program for affordable housing</li> </ul>	2021	
	<ul style="list-style-type: none"> <li>Updated and expanded MFTE program for affordable housing</li> </ul>	2018	

Status	Strategy/Action	Year	Impact (If quantified)
	C-4. Inclusionary zoning: increase zoning as incentive to provide affordable units in new development		
	<ul style="list-style-type: none"> <li>Advancing code amendment to increase residential FAR in targeted mixed-use areas of the City including implementation of a voluntary or mandatory affordable housing program</li> </ul>	Ongoing, est. completion fall 2025	
	<ul style="list-style-type: none"> <li>Adoption of Downtown Interim Official Control to increase production of residential and affordable housing units in Downtown</li> </ul>	2023	~287 pipeline affordable units
	<ul style="list-style-type: none"> <li>East Main LUCA incentives for affordable housing</li> </ul>	2021	
	<ul style="list-style-type: none"> <li>Eastgate LUCA incentives for affordable housing</li> </ul>	2017	
	<ul style="list-style-type: none"> <li>Downtown Livability LUCA including incentives for affordable housing</li> </ul>	2017	44 in-service affordable units
	C-5. Reduce costs of building affordable housing (e.g. code amendments, lower fees, reduced parking, city-funded street improvements)		
	<ul style="list-style-type: none"> <li>Developing an expedited permitting program for affordable housing (NRW)</li> </ul>	Ongoing, est. completion in 2025	
	<ul style="list-style-type: none"> <li>Lowered permit and inspection fees for affordable housing through the Affordable Housing Fee Reduction program (See NRW)</li> </ul>	2023	367 pipeline affordable units
	<ul style="list-style-type: none"> <li>Reduced parking minimum requirements near transit stations</li> </ul>	2021, Ongoing, estimated completion in 2025	

## Impact Summary

While not every action has a quantifiable impact, information below highlights some of the impact:



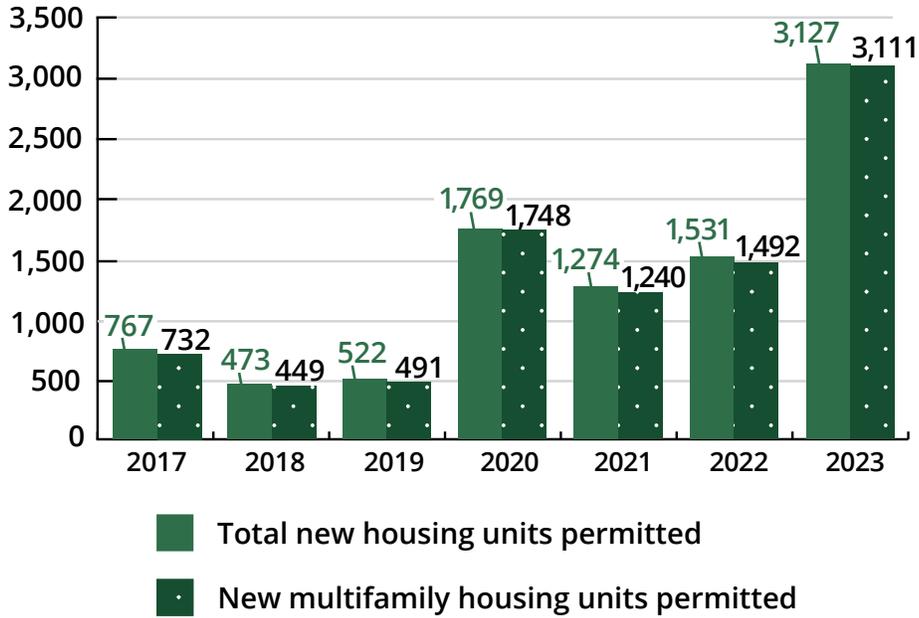
**1,593** Affordable Units Produced Under Actions

## D. Unlock Housing Supply by Making It Easier to Build

This strategy seeks to increase the total amount of housing in Bellevue to better meet market demand and relieve pressure on overall cost of housing. The City continues to implement this strategy through actions that streamline processes and reduce the cost and time to build

### 2017 Performance Metrics:

Number of new housing units permitted  
2017-2023



### Implementation Actions:

#### D. Unlock More Housing Supply by Making It Easier to Build

Status	Strategy/Action	Year	Impact (If quantified)
	D-1. Revise codes to reduce costs and process time for building multi-family housing		
	<ul style="list-style-type: none"> <li>Establishing clear and objective design standards and reducing process time LUCA</li> </ul>	Ongoing, completion by 6/2025	
	<ul style="list-style-type: none"> <li>Reducing regulatory barriers for converting existing commercial buildings to residential, or adding additional density within existing residential buildings LUCA</li> </ul>	Ongoing, est. completion 3/2025	

Status	Strategy/Action	Year	Impact (If quantified)
✓	<ul style="list-style-type: none"> <li>Reduced parking minimums near transit</li> </ul>	2021	
✓	<ul style="list-style-type: none"> <li>LUCA for zero lot line townhome regulations</li> </ul>	2021	
✓	D-2. Advocate for amendments to state condo statutes to rekindle interest in condominium development		
✓	<ul style="list-style-type: none"> <li>Amendments to state condominium statutes to increase condo development passed</li> </ul>	2019	
↔	D-3. Change the city's approach to density calculations in multifamily zones to allow more flexibility in unit size and type		
↔	<ul style="list-style-type: none"> <li>Advancing code amendment to increase residential FAR in targeted mixed-use areas of the City including implementation of a voluntary or mandatory affordable housing program</li> </ul>	Ongoing, est. completion by fall 2025	
✓	<ul style="list-style-type: none"> <li>Adoption of Downtown Interim Official Control to increase production of residential and affordable housing units in Downtown</li> </ul>	2023	~287 pipeline affordable units

### Impact Summary

While not every action has a quantifiable impact, information below highlights some of the impact:



**287** Affordable Units Produced by Actions

## E. Prioritize State, County and Local Funding for Affordable Housing

This strategy expands the type and amounts of funding available to support affordable housing. The City continues to implement this strategy by authorizing new local funding sources for affordable housing, partnering with local institutions, and through state and federal advocacy.

### 2017 Performance Metrics:



For every \$1 spent from the ARCH Housing Trust Fund, over \$13 were leveraged from other public and private investments.

### Bellevue dollars invested by funding program 2017-2024



### Implementation Actions:

#### E. Prioritize State, County, and Local Funding for Affordable Housing

Status	Strategy/Action	Year	Impact (If quantified)
	E-1. Tap additional local sources to dedicate more funding to affordable housing (e.g. reallocation of general fund and/or REET, increase of property tax and/or business & occupation tax, bonds)		
	<ul style="list-style-type: none"> <li>Contributed \$2 million/year for capital investment contingency funds for affordable housing through 2027</li> </ul>	2022 -2024	
	<ul style="list-style-type: none"> <li>Committed SHB 1406 revenue to the ARCH Housing Trust Fund</li> </ul>	2023-2024	\$1,538,000 dollars invested

Status	Strategy/Action	Year	Impact (If quantified)
	<ul style="list-style-type: none"> <li>Established the Housing Stability Program annual award process using HB 1590 revenue</li> </ul>	2022-2024	\$21,821,579 capital dollars invested
	<ul style="list-style-type: none"> <li>Committed general funds to the ARCH Housing Trust Fund</li> </ul>	2017-2024	\$2,184,000 dollars invested
	E-2. Pursue funding partnerships with employers, financial institutions, foundations, and others		
	<ul style="list-style-type: none"> <li>Amazon partnered with LIHI and City to fund acquisition of Aventine in downtown Bellevue</li> </ul>	2024	66 in-service affordable units
	<ul style="list-style-type: none"> <li>Amazon and Microsoft partnered with KCHA to rehab and extend affordability of KCHA properties</li> </ul>	2019-2021	1,132 in-service affordable units
	<ul style="list-style-type: none"> <li>Microsoft's Urban Housing Ventures fund helped acquire and preserve two properties</li> </ul>	2021	52 in-service affordable units
	<ul style="list-style-type: none"> <li>Microsoft committed investments to Plymouth Crossing and Porchlight</li> </ul>	2021	95 in-service affordable units and 100 in-service shelter beds
	<ul style="list-style-type: none"> <li>Amazon partnered with City and KCHA to acquire and rehabilitate Illahee Apartments</li> </ul>	2020	36 in-service affordable units
	E-3. Advocate for legislative actions that expand state and local funding tools.		
	<ul style="list-style-type: none"> <li>Included locally authorized REET as legislative priority</li> </ul>	2024	
	<ul style="list-style-type: none"> <li>Authorized SHB 1406, allowing the city to collect ~\$650,000/year for 20 years to fund affordable housing for those making &lt;60% AMI</li> </ul>	2020	\$31,618,122 of revenue collected
	<ul style="list-style-type: none"> <li>Authorized HB 1590, allowing the city to collect ~\$11 million/year to fund affordable housing and services for certain populations making &lt;60% AMI</li> </ul>	2020	\$1,931,288 of revenue collected

## Impact Summary

While not every action has a quantifiable impact, information below highlights some of the impact:



**95** Affordable Units Produced Under Actions

**1,251** Affordable Units Preserved Under Actions



**21,825,301** Dollars Invested Under Actions

## Next Right Work & Other Housing-Related Implementation

Next Right Work was initiated in 2022, following the completion of the majority of the 2017 Affordable Housing Strategy. These actions intend to further increase housing opportunities and diversity. The City has ongoing work on three actions, but anticipate these to be completed in 2025. Other notable housing-related implementation beyond the scope of the Affordable Housing Strategy actions are also noted below

Status	Strategy/Action	Year	Impact (If quantified)
	Next Right Work		
	<ul style="list-style-type: none"> <li>Increased FAR Phase 2: Mixed Use Areas</li> </ul>	Ongoing, est. completion fall 2025	
	<ul style="list-style-type: none"> <li>Encourage Middle Housing Phase 2: Middle Housing</li> </ul> <p><i>Note: included above as "Advancing code amendment to increase residential FAR in targeted mixed-use areas of the City including implementation of a voluntary or mandatory affordable housing program (NRW)"</i></p>	Ongoing, completion by 6/2025	
	<ul style="list-style-type: none"> <li>Internal process improvements to simplify and expedite permitting for affordable housing</li> </ul> <p><i>Note: included above as "Developing an expedited permitting program for affordable housing (NRW)"</i></p>	Ongoing, est. completion in 2025	
	<ul style="list-style-type: none"> <li>Micro apartment LUCA</li> </ul>	2023	270 permits
	<ul style="list-style-type: none"> <li>Increased FAR Phase 1: Downtown;</li> </ul> <p><i>Note: Included above as Adoption of Downtown Interim Official Control to increase production of residential and affordable housing units in Downtown</i></p>	2023	~287 pipeline affordable units
	<ul style="list-style-type: none"> <li>Reduced fees for affordable housing</li> </ul> <p><i>Note: included above as "Lowered permit and inspection fees for affordable housing through the Affordable Housing Fee Reduction program (NRW)"</i></p>	2023	367 pipeline affordable units
	<ul style="list-style-type: none"> <li>Encourage Middle Housing Phase 1: ADU Reform</li> </ul> <p><i>Note: included above as "Adopted LUCA to reduce barriers for ADUs and allow AADUs to be sold separately (NRW)"</i></p>	2023	137 permits
	<ul style="list-style-type: none"> <li>Maximize SEPA categorical exemptions to simplify and expedite permitting for affordable housing</li> </ul>	2023	

Status	Strategy/Action	Year	Impact (If quantified)
	<ul style="list-style-type: none"> <li>Align city code for unit lot subdivisions to simplify and expedite permitting for affordable housing</li> </ul>	2023	
	Other Notable Housing-Related Implementation		
	<ul style="list-style-type: none"> <li>Reestablished Housing ACCORD Program in Bellevue Dispute Resolution Center</li> </ul>	2020, 2023	3,713 households served (duplicates included)
	<ul style="list-style-type: none"> <li>Adopted permanent supportive housing, transitional housing, emergency housing, and emergency shelter land use code amendments to allow these use types in more land use districts</li> </ul>	2022	
	<ul style="list-style-type: none"> <li>Requested and received state earmark for Illahee acquisition</li> </ul>	2022	36 in-service affordable units

### Impact Summary

While not every action has a quantifiable impact, information below highlights some of the impact:



**690** Affordable Units Produced/Preserved Under Actions



**3,713** Household Served Under Actions (may be duplicated)



**407** Permits Issued Under Actions

## Full 2017 Implementation Metrics

Strategy A Metrics	2017	2018	2019	2020	2021	2022	2023	Total
Total number of affordable housing units	3,118	3,184	3,832	4,008	4,608	4,629	4,846	<b>1,728</b>
Number of existing affordable apartments preserved	-	-	566	144	510	-	25	<b>1,245</b>
Number of households served by home repair	32	72	65	37	39	36	53	<b>334</b>
Number of households served by weatherization (single family)	-	3	6	1	1	1	1	<b>13</b>
Number of households served by weatherization (multifamily)	131	337	-	-	-	-	-	<b>468</b>
Number of households served by utility rate and tax relief	1,062	1,004	1,068	1,040	1,003	1,044	1,053	<b>7,274</b>
Number of households served by property tax relief	<i>Note: Data not available; No response received from King County Assessor's Office.</i>							

Strategy B Metrics	2017	2018	2019	2020	2021	2022	2023	Total
Number of micro-apartments permitted	0	0	0	0	0	0	0	<b>0</b> <i>Note: 270 microunits permitted to date in 2024</i>
Number of accessory dwelling units permitted	21	17	15	16	26	30	12	<b>137</b>
Number of Bellevue participants in the ARCH East King County Down Payment Assistance Program	N/A	<b>1</b>						

Strategy C Metrics	2017	2018	2019	2020	2021	2022	2023	Total
Number of new affordable housing units permitted	<i>Note : Data not available as permit software does not identify all affordable housing units; comparable data is available on units put into service, included below.</i>							
Number of new affordable housing units built/preserved	1	66	648	176	600	21	217	<b>1,729</b>
Number of affordable apartments created through MFTE  <i>Notes: Reflects year project received MFTE Summary of Decision; units overlap with line above. 58 units received Summary of Decision in 2024</i>	32	31	-	81	21	109	62	<b>336</b>

Strategy D Metrics	2017	2018	2019	2020	2021	2022	2023	Total
Number of total new housing units permitted	767	473	522	1,769	1,274	1,531	3,127	<b>11,607</b>
Number of new multifamily housing units permitted	732	449	491	1,748	1,240	1,492	3,111	<b>11,407</b>

Strategy E Metrics	2017	2018	2019	2020	2021	2022	2023	Total
Bellevue housing dollars leveraged by state, county, and other affordable housing funders	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>7.52% of total development cost</b>
Total investment by the City of Bellevue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>\$27,461,017</b>
Total investment by private entities for affordable housing in Bellevue	<i>Note: figure reflects 1) estimated capital investments in twelve affordable housing projects by philanthropic corporate entities and 2) LIHTC equity and tax-exempt bond investments through the 4% and 9% LIHTC program.</i>							~\$540 million, including ~\$270 million from philanthropic corporate entities



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