C-1 Outreach and Equity Implication Summary

Planning Commission asked staff to further explore issues related to the designation of the Jubilee REACH Property as Medium Density Residential, including outreach related to C-1eligible property owners, the background of the Jubilee REACH outreach and the equity implications and unintended consequences of redesignating these properties but not other C-1 eligible properties.

C-1 Related Outreach. The <u>City's Strategy C-1</u> is profiled on the City's website and provides detailed information on program eligibility for Phase 1 and 2 of the program. Phase 2 identified 36 parcels meeting the eligibility criteria for affordable housing. City of Bellevue staff conducted outreach via email to all 36 properties in August and September 2023. Staff have also had follow-up correspondence and conversations with eligible organizations. As of May 2024, six faith-based organizations have expressed interest in the C-1 program and are at various stages of participation. Staff continue to make themselves available to C-1 eligible organizations interested in using their property for affordable housing.

Jubilee REACH Outreach Background. As part of this engagement, city staff have been in contact with Jubilee REACH who is interested in developing their property for affordable housing. Project feasibility is greatest at densities equivalent to R-30. Under the C-1 Phase 2, their parcel is eligible to rezone to the density of an adjacent parcel owned by the King County Housing Authority (KCHA), which is currently zoned as R-20. To achieve Jubilee's desired density, KCHA would need to first rezone their parcel to R-30; allowing Jubilee to proceed with the C-1 rezone at that density. Staff advanced a recommendation to redesignate Jubilee's and adjacent properties to medium density residential to streamline and expedite the development process of the Jubilee Properties.

Equity Implications & Unintended Consequences. While this could expedite the development of the Jubilee Property, staff have become aware of some equity and unintended consequences that were not conveyed in the May 8 agenda materials.

- No requirement for affordable housing. The Jubilee REACH organization or the faith-based organization that owns the neighboring properties could choose to develop market rate housing instead or sell to a developer focused on market rate housing.
 In addition, even if affordable housing is developed initially, avoiding the C-1 process would mean that it could be sold in the future as market rate housing.
- Sets a precedent for circumventing the C-1 process. Redesignation could set a precedent for future faith-based organizations to request Comprehensive Plan Amendments (CPAs) and subsequent rezones. The C-1 Process was developed specifically to create opportunities for affordable housing outside of the typical process for market rate multi-family housing. This would circumvent that intent.