

CITY COUNCIL AGENDA TOPIC

Recommended 2026-2032 Affordable Housing Strategy

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EXECUTIVE SUMMARY**DIRECTION**

Based on the City Council's direction at the February 3 meeting, staff have updated the recommendations for the draft Affordable Housing Strategy. The 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

On February 3, staff presented to Bellevue City Council the recommended 2026-2032 Affordable Housing Strategy (AHS or Strategy) and Affordable Housing Action Plan, included as Attachment A and Attachment B. The following memo summarizes recommended revisions to the AHS since the February 3 meeting; a summary of the project background and context is provided as Attachment C.

The draft Strategy is intended to put Bellevue on track for achieving the City's short- and long-term housing goals. The associated action plan includes a menu of actions for implementation that are phased across the seven-year planning period. Twenty high-priority actions will be emphasized for implementation over the seven years. These actions were identified as highest impact and most in alignment with the priority objectives of creating or preserving under 50% Area Median Income (AMI) units, remedying or addressing inequitable outcomes or results, and improving the effectiveness of existing tools.

February 3 Council Feedback

At the February 3 study session, the council provided feedback and questions on the recommended 2026-2032 draft AHS. Comments expressed support for the Strategy's goals and strategies, while indicating a desire for more time to engage stakeholders on specific actions, especially housing suppliers. Additionally, councilmembers expressed a desire for actions to be further considered relative to any cost impact on new development.

In response to council feedback, staff conducted supplemental review of actions and additional community engagement, including:

- Public communications to invite written comments;
- Presentation to the Bellevue Chamber of Commerce's Planning, Land Use, Sustainability and

Housing (PLUSH) Committee

- Hosting two community information sessions – one in-person and one virtual

A summary of additional community feedback is included below.

Additionally, staff reviewed comparable citywide strategic plans to identify the standard for incorporating legislative advocacy. Staff noted that other city plans include both indirect and specific actions related to advocacy at various levels, including the state legislature. Maintaining these actions in the AHS would be consistent with practice for other city plans.

Staff also catalogued and rereviewed actions that may have an impact on development costs. This is a small portion (~10%) of all actions and includes actions with flexible implementation options. The majority of these actions are in support of housing stability and housing for unique needs, which are identified policy objectives beyond affordability and supply. These actions balance the objectives of creating mechanisms for households to find and stay in homes that meet their needs and keeping development and operational costs low. Three revisions (AH.7.4, HS.3.3, HS.4.1) are proposed to actions with the potential to increase development costs. These intend to further calibrate the balance between policy goals and keep open multiple pathways to achieving the city's objectives.

Specific revisions to strategies and actions in response to feedback are outlined below.

Additional Draft Engagement and Comments

The draft Affordable Housing Strategy was informed by engagement over the course of year with organizational partners, the general public, and those with lived experience.

In response to request for more time to review the full draft Affordable Housing Strategy, staff opened and publicized an online comment period between February 4 and March 3. The project team also held public information sessions on February 26 and March 2 to answer questions and solicit additional public comments on the full draft. Staff also presented to the PLUSH committee and solicited additional feedback from housing suppliers and operators.

The feedback received during February and March is summarized below and contextualized with additional feedback heard during the course of the Strategy update. Attachment D summarizes project engagement throughout 2025; Attachment E details written comments received during the open comment period between February 4 and March 3. The project team received 5 public comments following the February 3 study session. Public comment after March 3 has been directed to the council.

Additionally, 22 attendees participated in the in-person and hybrid information sessions. Participant questions spanned a variety of topics including alignment with comprehensive planning, existing tools for affordable housing, eligibility for affordable housing, the process and barriers to AHS implementation, and the funding needed to implement the work.

Public comments were varied with both concerns and support expressed from different constituencies around varied aspects. At a high level, the most recent engagement represented:

- A segment of the public comment represented strong support for the bold strategies around housing affordability and housing stability, including maintaining aspects around mandatory inclusionary zoning.
- Another segment of public comment expressed concerns around strategies perceived as having

a negative impact on supply by adding to the cost to develop and operate housing.

- Comments at the information session reflected the need for housing for those who work in Bellevue and for proactive communications around the City's housing work and resources.
- Comments were also received expressing a desire for a thoughtful approach to affordable housing and supporting quality of life.

This feedback reflects the diverse views and perspectives heard throughout the 2025 engagement process and incorporated into the recommendation. Below are the key themes from community engagement that have strong support across a broad range of interests and perspectives:

- 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.

Draft Revisions

Based on council feedback, staff reviewed the draft actions and are recommending the following revisions (shown in strikethrough) to the draft Affordable Housing Action Plan:

Draft Strategy & Action	Recommendation	Revised Draft Strategy & Action	Justification
<p>AH.7.4</p> <p>Strategy: Explore new local revenue sources and financing tools</p> <p>Action: Advocate at the state level for new local revenue tools like a locally authorized REET increase or expansion or of the local sales tax credit for affordable housing.</p>	<p>Amend Action</p>	<p>AH.7.4</p> <p>Strategy: Explore new local revenue sources and financing tools</p> <p>Action: Advocate at the state level for new local revenue tools <u>as directed through the legislative agenda like a locally authorized REET increase or expansion or of the local sales tax credit for affordable housing.</u></p>	<p>Consistent with other citywide strategy plans to include items around legislative advocacy. Staff recommend preserving language about advocating for new tools but leave discretion regarding specific tools to the legislative agenda setting process.</p>
<p>HS.1.3</p> <p>Strategy: Expand individual supports for stability</p> <p>Action: Create a policy to stabilize rent increases in land use incentive affordable units</p>	<p>Amend Action</p>	<p>HS.1.3</p> <p>Strategy: Expand individual supports for stability</p> <p>Action: Create a <u>Consider policies to stabilize rent increases in land use incentive and performance affordable units</u></p>	<p>In order to emphasize that further exploration and analysis is needed, staff are recommending revising language to consider these types of policies.</p> <p>A clarifying edit was identified in this action to align with intent apply to both incentive and mandatory programs.</p>
<p>HS.1.4</p> <p>Strategy: Expand individual supports for stability</p> <p>Action: Support state legislation for reasonable expanded tenant protections as an anti-displacement measure.</p>	<p>Amend Action</p>	<p>HS.1.4</p> <p>Strategy: Expand individual supports for stability</p> <p>Action: Support state legislation for reasonable expanded <u>state policies to reduce tenant protections as an anti-displacement as directed through the legislative agenda measure.</u></p>	<p>Consistent with other citywide strategy plans to include items around legislative advocacy. Staff recommend preserving language to support reasonable state policies that limit the risk of tenant displacement.</p>
<p>HS.4.1</p> <p>Strategy: Rental registration and/or inspection program</p>	<p>Strike Strategy, Relocate to Strategy HE.1, Amend Action</p>	<p>HS.4.1 HE.1.5</p> <p>Strategy: Rental registration and/or inspection program</p>	<p>Additional support for renters was emphasized as a need during engagement with those</p>

<p>Action: Explore establishing a rental registration program to promote healthy and fair rental housing through education for landlords and tenants.</p>		<p><u>Community education, information and resources</u></p> <p>Action: Explore establishing a rental registration program to Promote healthy and fair rental housing through education <u>and training</u> for landlords and tenants. <u>Monitor housing health and safety and evaluate additional measures needed to promote healthy rental housing.</u></p>	<p>with lived experience. Residents of both income-restricted and market-rate rental housing often feel vulnerable to manipulation, retaliation, and deferred maintenance responses.</p> <p>Staff proposed exploring a rental registration program as a way to promote safe and healthy housing that meet basic standards and increase communication and connection with landlords.</p> <p>In response to continued concerns expressed regarding potential cost impacts, staff are recommending refocusing towards voluntary training opportunities for landlords and property owners and monitoring healthy housing reports and outcomes for further interventions.</p>
<p>HS.3.3</p> <p>Strategy: Strengthen supports for those on limited incomes and at risk of homelessness</p> <p>Action: Expand the City's rental relocation assistance program to more eligible instances</p>	<p>Strike Action</p>	<p>HS.3.3</p> <p>Strategy: Strengthen supports for those on limited incomes and at risk of homelessness</p> <p>Action: Expand the City's rental relocation assistance program to more eligible instances</p>	<p>Staff conducted further review of state authority and the city's existing relocation provisions and determined that substantive expansion with adequate enforcement would require significant additional processes and capacity.</p> <p>Therefore, staff recommend striking this action.</p>

Next Steps

The 2026-2032 Affordable Housing Strategy, once adopted by the council, provides an organizational roadmap for how the city can continue to improve housing opportunities for people in Bellevue. The Affordable Housing Action Plan operates as a menu of options to guide future implementation. The actions within the Action Plan will be further developed and vetted in implementation, and the Action Plan itself may be updated every other year.

Outlined below are ways that future implementation items will advance through additional city processes, which include further refinement, engagement, and assessment of costs, including costs to development.

Code-related items will be advanced through the annually-viewed Land Use Process Improvement (LUPI) workplan. Code amendments will be initiated by the council and informed by additional public input. Draft action items currently on the LUPI workplan include Parking Reform, Lot Splitting, Safe Parking, C-1 Expansions, Downtown Livability 2.0, and High Density Residential.

Other new programs or initiatives will be developed with council direction and budget authorization. All major projects and initiatives will be informed and refined by subsequent public outreach.

Items related to advocacy will be used to inform and guide specific recommendations for the draft legislative agendas, which ultimately functions as the advocacy priorities of the City. In cases where actions identify reviews of code or processes, results will be presented to city leadership for further direction.

The Strategy is designed to accelerate affordable housing growth and advance work to address housing-related needs in Bellevue. The Action Plan identifies a range of specific policy, funding, and program-related actions that can be implemented across the seven-year timeframe of the Affordable Housing Strategy. While the City intends to advance actions as capacity and budget allow, the twenty high-priority actions will be emphasized for implementation over the seven years.

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” Strategy Target Areas.

Fiscal Impact

The adopted 2025-2026 Operating 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. Consider directing 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. Project Summary - 2026-2032 Affordable Housing Strategy
- D. 2025 Engagement Summary
- E. AHS Draft Public Comments

AVAILABLE IN COUNCIL LIBRARY

2017 Affordable Housing Strategy