



Affordable Housing

Affordable Housing Strategy and Action C-1

Thara Johnson, Janet Lewine
Human Services Commission
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Agenda

1. Affordable Housing Strategy Update
 - Affordable Homes Achieved
 - Program Implementation
2. Housing Action C-1
3. New Sales & Use Tax HB 1590



August Wilson Place, LIHI - 57 low-income units



Affordable Housing Strategy Update



Hyde Square, BelRed FAR
35 affordable units

Affordable Housing Strategy



Create More Affordable Housing

- Council Approved AHS June 2017
- Council Priority – Phase I Implementation
- 5 Strategies + 21 Actions
- Goal of 2,500 more affordable homes in 10 years
- Bold actions with measurable results
- Biannual updates to Council, last completed on October 5th



City of Bellevue Affordable Housing Strategy

Approved by City Council
June 5, 2017





Affordable Homes Achieved



Cerasa, MFTE - 31 affordable units



Affordable Units Added/Funded	Date	Units
KCHA Highland Village, preservation	2017Q2	76
ADUs permitted 2017	2017	12
Park East, DT AH incentive	2017Q4	1
	2017 subtotal	89
888 Bellevue Tower, MFTE	2018Q1	8
888 Bellevue Tower, DT incentive	2018Q1	24
Cerasa, MFTE	2018Q3	31
ADUs permitted 2018	2018	12
	2018 subtotal	75
30Bellevue, direct subsidy	2019Q2	62
KCHA Kendall Ridge, preservation	2019Q3	240
DT incentive Brio, DT incentive	2019Q4	20
ADUs permitted 2019	2019	8
	2019 subtotal	330
KCHA Hampton Greens, preservation	2020Q1	326
Eastgate Men's Shelter (100 beds), direct subsidy	2020Q2	100
Inland Polaris at Eastgate, direct subsidy	2020Q2	298
	2020 subtotal	724
Units/beds since Affordable Housing Strategy		1,218
LIV, Hyde Square- BelRed FAR Incentive	Since 2015	89
Total Units/beds including BelRed FAR		1,307

Affordable Units Pipeline (unit # estimate)	Date	Units
Pipeline incentive units estimate BR and DT	2020+	~152
Eastgate single adult apartments	2022+	~80
OMF RFP: KC/\$10M TOD Bond, ARCH/\$4M, ST/land donation, Council Spur property donation	2021+	~200-300
Bellevue & ST partner at 130th for TOD with AH	2022+	~150
Pipeline Total		~632

Bridge Housing “Songbird”
61 units affordable housing. Portland



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Program Implementation



Groundbreaking 30 Bellevue, Imagine Housing. 62 low-income units

Implemented or Ongoing Actions



Action A-1 Preservation of existing, affordable MF housing

Action A-5 Review and extension of utility rate relief and utility tax relief programs

Action C-3 Update and extension of the Multifamily Tax Exemption program

Action C-4 DT Livability & Eastgate LUCAs with affordable housing incentives

Action D-2 Changes to state condo statutes to increase condo development

Action E-1 Increased funding for affordable housing

- **\$412,000** per year general fund support for affordable housing
- **\$15 million** CIP contingency funds for affordable housing through 2025
- **\$625,000** estimated per year from Council authorization of HB 1406
- **\$8.9 million** estimated per year from Council authorized HB 1590

Action E-2 Pursue funding partnerships with employers, financial institutions, foundations and others.

Ongoing Work Program

- Action B-2** ADU 3-year rule and off-street parking requirement.
- Action C-1** Affordable housing incentive for faith-owned, public surplus and non-profit housing property.
- Action C-2** TOD at OMFE and 130th. Develop affordable housing on suitable surplus public lands in proximity to transit hubs
- Action C-3** Update of the Multifamily Tax Exemption Program
- Action C-4** East Main LUCA and Wilburton CPA including affordable housing incentives
- Action D-1** LUCA for zero lot line townhome regulations and MF parking near transit.





C-1 Strategy Update





Action C-1

- July 20 Council direction to initiate an incentive-based approach for increasing affordable housing potential on eligible properties consistent with Affordable Housing Strategy C-1:
Increase development potential on suitable land owned by public, non-profit housing, and faith-based entities for affordable housing.
- Comprehensive Plan Amendment (CPA) to allow for density increase incentives on eligible properties
- Land Use Code Amendment (LUCA) with development regulations and criteria for the incentives
- Eligible properties meet City policy and recent state legislation House Bill 1377.
- Only applies to eligible properties developing affordable housing.

Current Situation/ Issues to Resolve

Affordable housing groups and faith organizations want to partner to help create housing on their land.

But right now the process takes too long and that:

- Creates uncertainty
- Creates risk
- Drives up overall cost of building affordable housing



Proposed Solution

State House Bill 1377

- Directs cities to provide bonus density bonus for affordable housing on faith-owned properties
- Requires units to remain affordable for at least 50 years
- Cities have flexibility to create an incentive that fits their needs.

Council Direction

- July 20 direction to develop incentive program
- November 16 support for CPA policies, with action on December 14.





What Types of Properties Could Qualify

- Multifamily and mixed-use residential districts
 - Public surplus property
 - Non-profit housing property
 - Faith-owned property
- Single family residential districts
 - Faith-owned property

Excludes: Parks & Community Services Department owned property
 Property owned by public utilities (except vacant)
 Downtown, BelRed, and Eastgate TOD Areas



C-1 Policy Amendments:

- Supporting policy language for bonuses and incentives on eligible properties
- Policy that provides direction to implement the bonuses and incentives outside of growth corridors
- Policy to provide direction for creation of a demonstration program for affordable housing projects in multi-family zones

C-1 Post Amendment Steps

- Demonstration Pilot Project with Policy HO-35
- Begin work early in 2021 on the associated Land Use Code Amendment that was initiated with the plan amendment in July 2020.





New Sales & Use Tax HB 1590



Use of Funds

Estimate .01 percent would generate \$8.9M annually. At least 60% of funds must be for:

- Constructing affordable housing, as well as securing new affordable units in existing buildings;
- Constructing mental and behavioral health-related facilities; or
- Funding operation and maintenance of new affordable units and facilities, or newly constructed evaluation and treatment centers.



LIV- BelRed FAR 54 affordable units

Balance of funds must be used for mental and behavioral health treatment programs and services or housing-related services.

Populations Served



KCHA Kendall Ridge. 240 units Preservation

Families and individuals earning up to 60% AMI, including:

- persons with behavioral health disabilities,
- veterans,
- senior citizens,
- homeless or at-risk homeless,
- persons with disabilities,
- or domestic violence survivors.

Potential Bellevue Investments

Work program to be developed in 2021, which may include:

- Preservation of apartments, hotels, and senior facilities to serve low-income residents;
- Capital funding of the Plymouth Housing project at Eastgate Campus;
- Services in housing where a percentage of the units are for those coming out of homelessness, e.g. 30Bellevue and Andrews Glen; or
- Funds allocated through the human services fund for homeless and mental health services.



Eastgate Housing Campus, Direct Subsidy
300 affordable apartments, 100 bed men's shelter, 80
apartments for persons leaving homelessness

Thank You



Eastgate Housing Campus, Direct Subsidy
300 affordable apartments, 100 bed men's shelter

