

CITY COUNCIL REGULAR SESSION

Ordinance 1) authorizing execution of an Interagency Agreement with the Department of Commerce and acceptance of grant funds in the amount of \$100,000 to support implementation of the City's Affordable Housing Strategy, and 2) amending the 2021-2022 Operating Grants, Donations, and Special Reserve Fund to increase the appropriation by \$100,000; providing for severability; and establishing an effective date.

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EXECUTIVE SUMMARY

This Ordinance authorizes the execution of an Interagency Agreement with the Department of Commerce and acceptance of grant funds in the amount of \$100,000. The Ordinance also amends the 2021-2022 Operating Grants, Donations, and Special Reserves Fund to increase the appropriation by \$100,000. The purpose of the grant funds are to support the implementation of the City's Affordable Housing Strategy.

RECOMMENDATION

Move to adopt Ordinance No. 6658

BACKGROUND & ANALYSIS

Affordable Housing Strategy Implementation

The City Council approved the City's Affordable Housing Strategy (AHS) in June 2017. The City has achieved significant success in its implementation of the AHS, with the current delivered and in-the-pipeline total of affordable housing over halfway to the goal of 2,500 units identified in the AHS.

As Bellevue continues to implement the AHS, some significant changes have occurred in the City following Council's 2017 approval of the AHS. Commercial development and job creation has continued at an accelerated pace and the need for implementation of the AHS and the specific strategies identified therein has increased exponentially. The continued growth the City is experiencing as well as the Council priorities regarding the delivery of affordable housing have provided additional opportunities to evaluate and update key aspects of the affordable housing work program.

Housing Action Plan Implementation (HAPI) Grant

In October 2021, the Washington State Department of Commerce began accepting applications for grant funding up to \$100,000 to assist cities in implementing existing housing action plans (this includes the City of Bellevue's AHS). The City applied for the HAPI grant funding, and Commerce notified the City in October that the application submitted by the City was successful.

Bellevue's application identified three tasks to complete as a part of the successful program:

Task 1: Create a Housing Needs Assessment.

Task 2: Identify strategies and actions required to deliver housing choice and variety.

Task 3: Develop and adopt code amendments advanced from the strategy identification process to allow a greater variety of housing types and affordability.

Completion of Task 3 would require legislative action and attendant policy decisions by the City Council and would ultimately depend on the final adoption of code amendments by the City Council.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code 4.28.200 requires Council approval to execute grant contracts that exceed \$90,000.

The purpose of the grant is to provide the City with opportunities to more effectively implement the adopted AHS, identify existing deficiencies and move towards greater success that results in affordable housing creation and preservation. This is consistent with City Council Priorities, Comprehensive Plan Housing Policy, and Economic Development Plan Strategies.

Comprehensive Plan Policy HO-24: Develop and implement an effective strategy to ensure affordable housing opportunities are available in Downtown and throughout the City at a range of affordability levels. Monitor quantity, types, and affordability of housing achieved for potential unintended consequences and to determine if the need is being met.

Economic Development Plan Strategy E.1: Develop a City-wide strategy to expand workforce housing options by exploring all manner of tools, including a multifamily tax exemption program, a revolving fund for transit-oriented development, zoning changes, and other options.

Fiscal Impact

The proposed tasks are items that are built into the City's work program. Utilizing grant funding to contract consultants to perform this work will permit staff greater flexibility to complete other tasks within the City's work plan. This Ordinance authorizes execution of an Interagency Agreement with the Department of Commerce in order for the City to accept grant funds in the amount of \$100,000 for reimbursement associated with affordable housing implementation. The Ordinance also amends the 2021-2022 Operating Grants, Donations, and Special Reserve Fund to increase the appropriation amount by \$100,000. The budget cycle for 2023-2024 will authorize carryover expenditures consistent with the remaining value of the contract.

OPTIONS

1. Adopt the Ordinance 1) authorizing execution of an Interagency Agreement with the Department of Commerce and acceptance of grant funds in the amount of \$100,000 to support implementation of the City's Affordable Housing Strategy, and 2) amending the 2021-2022 Operating Grants, Donations, and Special Reserve Fund to increase the appropriation by \$100,000; providing for severability; and establishing an effective date.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Interagency Agreement with Washington State Department of Commerce

Proposed Ordinance No. 6658

AVAILABLE IN COUNCIL LIBRARY

Bellevue Affordable Housing Strategy, June 5, 2017