

July 11, 2016

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

Update on development of Bellevue's Affordable Housing Strategy.

STAFF CONTACT

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POLICY ISSUES

The purpose of this project is to improve affordable housing opportunities across the City, with a focus on action. This is consistent with City Council Priorities, Comprehensive Plan housing policy, and Economic Development Plan Strategies.

Project Goal: *Develop a three- to five-year affordable housing strategy/action plan that meets the needs of the range of incomes of people living and working in Bellevue.*

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.

Stakeholder input to the *Economic Development Plan* identifies lack of workforce housing for employees as a primary challenge for Bellevue. The plan notes:

To support a thriving economy, there is a need for workers at all income levels; however, the limited range of housing options in Bellevue challenges the availability of a varied workforce. Bellevue needs a City-wide approach to housing options for different income levels in different growth areas of the City.

DIRECTION NEEDED FROM COUNCIL

<u> </u>	Action
<u> X </u>	Discussion
<u> X </u>	Information

Tonight staff is providing Council with an update on work-to-date including discussion of the potential actions list by the Technical Advisory Group (TAG) and community engagement events with early feedback on initial concepts.

BACKGROUND/ANALYSIS

Among the Council's adopted two-year priorities is to "develop an affordable housing plan for the needs of our diverse population." In December 2015, Council provided direction on guiding principles (Attachment A) and an approach to developing a strategy for increasing the amount of affordable housing in Bellevue. In March 2016, Council received an update and presentation of the *Housing Needs Assessment* describing the depth and breadth of need in Bellevue. Also in March, Council approved \$75,000 for consultant assistance and gave direction on the composition of the TAG. This briefing has multiple objectives:

- Update the Council about work to date
- Summarize stakeholder and public engagement and feedback to date
- Provide an overview of the range of potential actions currently being reviewed
- Describe next steps and project schedule

Stakeholder and Public Engagement

Community input is a critical component of the housing strategy plan and there are several means by which stakeholders and the public are being engaged in the discussion about affordable housing and development of the strategy. This is an ongoing part of the project with two primary objectives in this initial phase:

- 1) Inform the community about the need for affordable housing; and
- 2) Initiate a dialogue about the different types of actions being considered to raise awareness, gauge reactions and solicit feedback.

The [project website](#) contains information about the project and upcoming opportunities for public engagement, about affordable housing including the *Housing Needs Assessment*, and TAG meeting materials. The project website is regularly updated with information including the handouts, survey, and presentations from the recent Community Education Forum. A [video](#) of the Forum and discussion panel can be accessed from the project website. Staff is currently working with an outreach consultant on creating an online open house and survey that will be available in the next two weeks.

About 75 people attended the 2-½ hour Community Education Forum on June 23 at City Hall. The event was widely publicized through print (e.g. *Bellevue Reporter, It's Your City*) and social media (e.g. Facebook, Twitter, Next Door) as well as email notification to multiple mailing lists that generated significant interest in the topic and the event. Councilmember Robinson made introductory remarks about the need for affordable housing and why it is a City Council priority. Six invited panelists representing Bellevue School District, The Sophia Way, Imagine Housing, Redfin, King County Housing Authority and Security Properties each gave compelling presentations on different aspects of the need for and the challenges of providing affordable housing. Before and after the panel discussion, several non-profit housing and service providers staffed information tables in the concourse to answer questions about available resources for housing assistance. Spanish language interpreters and a Cultural Navigator were on hand and used throughout the event.

Additional outreach to date has included two “listening posts,” with staff spending several hours at Crossroads and Factoria malls answering questions, sharing information, and listening to concerns and ideas from people shopping at the malls or referred from Mini-City Hall. Staff at Crossroads were located just outside of Mini-City Hall and fielded numerous questions and requests for assistance with finding affordable housing from residents being displaced from Highland Village apartments. Staff is also conducting stakeholder meetings with different interest groups such as neighborhood leaders, business and developer interests and the Bellevue Network on Aging. Staff will continue to communicate with these and other stakeholders throughout the process at key junctures to share information and solicit feedback.

In terms of the feedback, the vast majority of the people that have responded to the survey and participated in the conversations to date are in agreement that affordable housing is an issue affecting people with a range of incomes. Survey information will continue to be collected over the next month or so; however, a summary of survey responses and comments from all of the outreach to date is provided in Attachment B.

Technical Advisory Group (TAG)

The 15-member TAG (Attachment C) was appointed in April and held a kick-off meeting May 23. Members of the TAG represent a range of interests and expertise that will provide valuable insights and feedback during development of the affordable housing strategy. Initial tasks for the TAG include identifying which of the actions from the comprehensive list of potential actions compiled by staff are good candidates to be analyzed for effectiveness in producing affordable housing.

At the May 23 meeting, TAG provided initial feedback on the list, including additional actions for consideration. Attachment D reflects this updated list of about sixty-five potential actions organized into the following categories and subcategories:

- A. City Regulations and Incentives
 - a. Mandatory/Incentive Zoning Tools
 - b. Housing Type/Choice
 - c. Land Use & Building Code Requirements
- B. Direct and Indirect Financial Support
 - a. Financial Incentives (other than Direct Support)
 - b. Direct Support (Funding, Land, Infrastructure)
- C. Preservation of Existing Affordable Stock
- D. Assistance to Residents/Partnerships with Agencies
- E. Legislative Actions/Partnerships

The latest draft of the more comprehensive list is being provided to the City Council at this time for your information only. Staff is still working with the TAG to identify a candidate list of actions for analysis with the evaluation tool. The TAG has requested additional information before suggesting a candidate list.

The project schedule calls for bringing the TAG’s candidate list for further analysis to City Council approval before the August break. At that time, staff will be seeking City Council

direction on which candidate actions to retain for the next phase of analysis. A consultant will be under contract within the next two weeks to provide technical assistance to the TAG and staff in developing the evaluation tool and conducting the analysis.

Next Steps

There are several tasks that are ongoing over the course of the next two to three months:

- Continue dialogue with stakeholders and the community about the need for affordable housing and the types of potential actions being considered
- Complete TAG tasks of identifying candidate list of potential actions for City Council consideration
- Obtain City Council direction on which actions from the candidate list to take forward for analysis
- Work with TAG and consultant to develop evaluation tool for analysis of actions
- Conduct the analysis on the candidate list and review the results with the TAG

ALTERNATIVES

N/A

RECOMMENDATION

N/A

ATTACHMENTS

- A. Council Guiding Principles
- B. Summary of survey responses and comments to date
- C. List of TAG members
- D. Range of Potential Actions List