

| POTENTIAL ACTION LIST – FURTHER EVALUATION   | NOTES & NEXT STEPS  |
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| <b>Category 1: Preservation</b> – An important component of an overall strategy is preservation of existing affordable housing stock. Review includes evaluating expansion of existing programs as well as new opportunities for preserve existing affordable housing.   |   |
| C.3. Provide loans for upgrading and weatherization in exchange for covenants to preserve affordable units.<br>D.9. Expand Bellevue’s Major Home Repair Program to assist low-income residents with maintaining their homes.   | <u>Loans for repair and upgrades</u> : Evaluate the need and level of funding for the current program and its effectiveness at preserving affordable housing, and how repair loans could be used more to preserve affordable rental units.  |
| C.6. Pursue opportunities to acquire and preserve existing multifamily housing, and upgrade substandard housing – identify most strategic opportunities for existing properties (location, condition, bank owned).<br>C.7.b. Inventory existing affordable non-income & rent restricted housing.   | Evaluation will identify existing market rate housing that could potentially be preserved as affordable.  |
| C.9. Provide subsidies/tax exemptions to smaller apartment owners (4 unit or less) to maintain affordability.  | Evaluation will explore number of units this may include and whether it is an effective practice for preserving existing affordable housing stock. May be evaluated with E2 (Category 4), support revisions to MFTE state enabling legislation.   |
| <b>Category 2: Direct &amp; Indirect Public Support</b> – Public support of affordable housing can take many forms. This group will look at the effectiveness of various public tools to leverage the production of affordable housing by private and public housing providers.  |   |
| <i>*A.6. Allow flexible reuse of larger sites (e.g. former school sites, church properties) through a special process to enable denser more diverse forms of housing.</i><br><i>*B.4. Make surplus or underutilized public land available at reduced or no cost for affordable housing developments.</i><br>C.7.a. Inventory existing income & rent restricted housing to determine where infill or redevelopment could increase capacity. | <u>Site and capacity evaluation</u> : Inventory different types of sites to inform evaluation of potential for additional capacity by housing type and level of affordability.  |
| <i>*B.1. Review/recalibrate multi-family tax exemption (MFTE) for affordable housing requirements and expand program in additional multi-family and transit-oriented development areas.</i>  | <u>MFTE review</u> : Review current qualification requirements for Bellevue’s MFTE, including unit size and mix that encourages larger units for families e.g. 15% of units being 2 or more bedroom. Analysis will look at Bellevue’s housing demand and needs assessment and effective practices in other cities’ MFTE programs. |
| <i>*B.2. Utilize non-cash subsidies, such as credit enhancements and city bonding.</i><br>B.6. Implement a revolving loan fund for acquisition of land.<br>B.7. Create a revolving housing fund to support 4% tax credit projects.   | <u>Direct funding</u> : The first 3 (B.2., B.6., B.7.) will evaluate effective practices by existing programs (e.g. REDI Fund). Evaluation of levy (B.8.) will include information on what amounts could be generated   |

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| <b>*B.8. Submit an Affordable Housing Property Tax Levy to voters.</b>  | by different levy rates and how those funds have been effectively applied elsewhere.  |
| B.5. Invest in infrastructure (e.g. streetscapes, parks, stormwater improvements) that supports affordable housing development.   | <u>Public infrastructure investments</u> : Evaluate what types and levels of public investments are effective at leveraging production of affordable units.   |
| D.10. Down Payment Assistance - Evaluate and as needed update existing program (effectiveness, design features and, funding levels).  | <u>Home ownership assistance</u> : One of the few actions directed at home ownership. City contributions to ARCH currently used with state housing finance commission first and second mortgage program. Evaluation will include current funding and utilization, and explore how to leverage employer assistance to broaden program and increase effectiveness.  |
| D.4. Partner with employers including BSD to provide affordable housing for their employees.  | Develop new actions or leverage existing actions by partnering with employers e.g. down payment assistance program.   |
| D.5. Partner with other agencies to provide affordable housing in conjunction with transit-oriented development at light rail and other transit centers.<br>Provide for housing in mixed-use neighborhoods with transit access.   | Develop new actions or activate existing actions like REDI fund to leverage TOD efforts by other agencies.  |
| <b>Category 3: City Regulations &amp; Incentives</b> – Increase capacity in certain zones to leverage market production of housing, including affordable units, primarily to households with incomes at greater than 60% AMI. Includes other potential changes to zoning regulations and/or processes intended to create greater flexibility of housing types as well as lower development costs.   |   |
| <b>*A.1. Require some amount of affordable housing with certain types or sizes of multi-family development.</b><br><b>*A.2 Review/recalibrate code incentives for affordable units in exchange for density increase.</b>  | <u>Density incentives</u> : Conduct a pro forma analysis that will consider potential for market and affordable units with mandatory or voluntary density incentives.   |
| A.4. Zoning and building code provisions to accommodate single-room occupancy units or mini-suites (e.g. micro units) housing in multi-family zones.<br>A.5. Allow additional flexibility along with design guidelines and development standards for small-scale housing types (e.g. cottages, duplexes, accessory dwelling units, shared housing) in single family areas for consideration in neighborhood plans.<br>A.8. Ensure that zoning provides appropriate opportunities for seniors and special needs housing. | <u>Housing type flexibility</u> : Analysis will include research on effective practices elsewhere, including how these types of units are regulated, potential productivity of affordable units, and which single family or multifamily zones could provide flexibility. One objective for greater flexibility in housing type in residential zones is to help seniors and people with special needs remain in their homes or neighborhoods. In terms of mixed use zones, certain Downtown and BelRed zones already effectively allow micro-units but without consideration of relative parking ratios. |

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| A.19. Increase zoning height, density and FAR in multifamily zone districts; change density calculation from units per acre to floor-area-ratio (FAR).   |  |
| <p><b>*A.10. Revise regulations and permitting requirements to reduce costs and timing.</b></p> <p>A.11. Provide expedited permitting for projects with affordable housing.</p> <p>A.13. Amend building codes to allow prefabricated and new building technologies (e.g. cross laminated timber) that can reduce construction costs.</p> <p><b>*A.14. Modify land use and building codes to maximize economical wood frame construction (e.g. increase building height using Type 5 wood frame construction).</b></p> <p>A.15. Review off-street parking policies (e.g. right-size parking, special studies, parking benefit district). Reduce or eliminate minimum parking when well-served by transit.</p> <p>A.18. Implement building and fire codes that reduce construction costs; update development regulations to match.</p> | <p><u>Regulatory impediments:</u> Several items in this sub-group may be part of sensitivity analysis for items A.1. and A.2. above to determine which have the most impact on development costs and feasibility. Evaluation will also include effective practices of other cities.</p>  |
| <p><b>Category 4: Pursuing Legislative Changes</b> – The items in this category require changes to state legislation to expand the types of actions that Bellevue could consider as part of an overall affordable housing strategy.</p>  |  |
| C.5. Limit conversion of rental housing to condominiums.   | Market changes or legislation to revise Condominium Act warranty provisions could increase condo conversions at a loss to existing affordable rental housing. Potential tools (limits, fees) may require state legislation. However, condominium conversion is not currently an issue.   |
| <p><b>*E.1. Explore options for dedicated local revenue sources that provide direct monetary assistance for affordable housing. Examples include:</b></p> <p><b>E.1.a. Establish a Growth Fund funded by sources resulting from new growth (e.g. sales tax)</b></p> <p><b>E.1.b. Real Estate Excise Tax for Affordable Housing</b></p> <p><b>E.1.c. Transfer tax charged on capital gain ('anti-flipping')</b></p> <p><b>E.1.d. Property tax generated by sold public sites.</b></p> <p><b>E.1.e. Enact Local Option Sales Tax HB2263</b></p>  | Evaluation will include exploring effective practices and existing research to determine whether these are actions that would be effective in an overall strategy. Will coordinate with ongoing ARCH review of potential new revenue sources. Although these are not actions currently available, the evaluation would help to inform Council discussion of these items for the city's legislative agenda. |

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| <p><i>E.1.f. Hotel Tax on Short-Term Rentals</i><br/> <i>E.1.g. Local Voluntary Employers Fund</i><br/> <i>*E.2. Support revisions to state law to expand the multi-family tax exemption – MFTE (e.g. duration, preservation of existing housing).</i><br/> E.4. Support expansion of the State Housing Trust Fund and federal housing programs.<br/> <i>*E.6. Evaluate and consider efforts to remove barriers to condo development such as revisions to state Condominium Act warranty provisions.</i></p>  |  |
| <p><b>Category 5: Do Not Evaluate</b> – These actions will be held in reserve for future consideration including layering with other actions. Category 5 includes actions that: (#1) the city is not able to pursue; (#2) at this point do not appear to have as much potential as the other, priority actions for producing affordable units, however the city could consider these in the future and evaluate at that time; (#3) the city is already doing this action at a level that could be reviewed, however evaluation is not necessary at this time.</p> |  |
| <p><i>*A.3. Adopt linkage fees for commercial development (either for all or increased commercial capacity).</i></p>  | <p>Based on preliminary analysis by City Attorney’s office, there is currently not a clear statutory path to enacting these fees. (#1)</p>   |
| <p>A.7. Provide a flexible development process for environmentally constrained property that accommodates alternative building types, e.g. clustering.</p>  | <p>Requires analysis of individual parcels with multiple factors for consideration (#2)</p>  |
| <p>A.9. Maintain a family-friendly housing focus when implementing other housing actions (e.g. promote family-sized units in MFTE Program).</p>   | <p>Direct support for affordable housing and other housing actions considers family-friendly units and services. MFTE review covered by B.1. above (#3)</p>  |
| <p>A.9.a. Encourage affordable housing project partnerships between private and not for profit developers.</p>  | <p>Added by TAG 7/25. Could be applied to different groups of actions. There will be additional discussion with the TAG to identify these potential partnerships as the strategy is developed (#2)</p>     |
| <p>A.12. Provide staffing contingencies to manage peak permit demand.</p>   | <p>Already being done per DSD (#3)</p>   |
| <p>A.16. Promote use of Universal Design to increase accessibility for all ages and abilities.</p>  | <p>Although UD may allow seniors and others to remain in their homes which can be more affordable for that household, it does not add affordable units. Could be addressed as part of code update (#2)</p> |
| <p>A.17. Encourage energy efficiency and other measures of sustainability in new and preserved housing to reduce costs for residents.</p>   | <p>As above, provides affordability for household but does not add new affordable units. Could be addressed as part of code update (#2)</p>  |
| <p><i>*B.3. Encourage use of multiple incentives with goal of creating more units or increasing affordability.</i></p>  | <p>Does not involve analysis, but will be considered as overall strategy is developed (#2)</p>   |

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| C.1. Implement a rental inspection program.   | Does not add new affordable units but could be considered as part of a preservation strategy (#2)   |
| C.2. Promote property maintenance and improvements for energy efficiency in existing affordable housing.  | Does not add new affordable units but could be considered as part of a preservation strategy (#2)   |
| C.4. Allow transfer of development rights (TDR) where existing older, more affordable housing could transfer unused development capacity to preserve this housing from redevelopment.   | Could be used as a preservation strategy; however, evaluation would require much more legal and economic research in terms of sending and receiving zones (#2)  |
| C.8. Develop a strategy to help preserve housing affordability where public investments indirectly contribute to rising residential costs.  | REDI fund and other actions currently target land banking and affordable housing preservation in transitioning areas, particularly near transit (#3)  |
| D.1. Explore ways to increase usage of HUD vouchers, including working with KCHA to target section 8 certificates.  | City already working with KCHA, could increase these efforts to make it easier for voucher holders to find and retain eligible housing. Does not require analysis (#3)                                    |
| D.2. Support housing options and services that enable seniors to stay in their homes or neighborhoods.  | Apply this lens to other actions to identify which could help address this need (#2)  |
| D.3. Periodically review and revise regulations to assure they meet state and federal fair housing requirements.  | Being done as requirement of HUD CDBG funding (#3)  |
| D.6. Provide relocation assistance consistent with State RCW 59.18.440 (Tenant Relocation Assistance).  | Limited Relocation Assistance in Code Chapter 9.21, the City could review potential for expanding (#3)  |
| D.7. Increase local rental/operating subsidies to serve the lowest income population.   | Some support for rental and operating subsidies through City's Human Services fund  |
| <p>D.8. Increase funding for tenant counseling and landlord education so they can work together to ensure sustainability (#3)</p> <ul style="list-style-type: none"> <li>a. Provide assistance to tenants with language barriers, mental illness or other challenges (#2)</li> <li>b. Explore solutions to housing for people exiting incarceration (#2)</li> <li>c. Provide 'Community Service Officers' (civilian intermediaries to resolve conflicts among landlords, tenants) (#3)</li> </ul> | Human Services provides Tenant and landlord education as part of efforts to increase fair housing practices, and. Neighborhood Mediation provides resources for (c), resolving landlord/tenant conflicts. |
| D.11. Develop financing products that comply with faith-based requirements.   | Potential follow-up action or policy; increases fair housing access. (#2)   |
| D.13. Consider ways to support ownership models such as land trusts, 'sweat equity', limited equity condominium / coops.  | City supports through ARCH Housing Trust Fund e.g. Habitat, Silver Glen (#3)  |

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| E.3. Encourage self-help and volunteer programs that create or preserve affordable housing.   |  |
| D.14. Provide resources to homeowners facing foreclosure such as financial support to homeowner counseling program; funding for higher risk home repair loans; and helping homeowners with temporary financial hardships.   | City offers foreclosure mediation program (#3); could evaluate level of funding for direct assistance program (#2)                                     |
| D.15. Provide resources to tenants facing eviction because of a temporary financial hardship.   | City supports some tenant assistance funding through Human Services (#3)   |
| D.16. Support organizations that offer services and facilities to those who have special housing needs including capacity building and technical assistance.  | City provides funding through ARCH and Human Services to organizations that serve persons with special housing needs (#3)                              |
| D.17. Support funding applications by local groups seeking other public/private funders.  | City provides funding through ARCH and Human Services to local organizations that are seeking other funding (#3)                                       |
| D.18. Explore ways to support efforts by affordable housing providers to develop investment funds from socially-minded private investors.   | City supports local organizations that are reaching out to these types of funders (#3)   |
| D.19. Cooperate with regional efforts to do an ongoing analysis of the regional housing market.   | City works regionally through ARCH, PSRC, and others (#3)  |
| D.20. Work with housing advocates, neighborhood planning groups, property owners etc. to address negative perceptions related to homeless housing, and other housing for special needs.   | City partners with housing non-profits to provide community outreach, particularly for homeless housing or housing for persons with special needs (#3) |
| D.21. Explore and evaluate formation of a housing authority in Bellevue.  | Potential follow-up (#2)   |
| D.12. Support coordinated, culturally appropriate homebuyer education (including financial literacy) and require for all homebuyer assistance programs.<br>D.22. Support programs that increase access to homeownership <ul style="list-style-type: none"> <li>• Financial literacy and first time homebuyer classes</li> <li>• Expand low interest loan programs such as Veterans and FHA</li> </ul> | Existing ARCH down payment assistance program includes access to homebuyer education and counseling and partnership with WSHFC mortgage products (#3)  |
| D.23. Support mortgage programs that allow homebuyers that live near their work or transit to qualify for higher mortgage amount  | Potential follow-up (#2)   |

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| D.24. Support education and training programs that provide a means for low income residents to increase their incomes.   | City's economic development program includes coordination with Bellevue College and fostering start-up businesses (#3)  |
| <p>E.5. Support state legislation or enact local provisions to address tenant protections, such as:</p> <ul style="list-style-type: none"> <li>E.5.a. Eliminate Source of Income discrimination (e.g. spousal support)</li> <li>E.5.b. Require longer period for notice to vacate (currently 20 days) when multiple tenants are being displaced</li> <li>E.5.c. Require Notice of Rent Increase</li> <li>E.5.d. Enact a Just Cause Eviction Ordinance</li> <li>E.5.e. Allow for local portability of Tenant Screening Reports to reduce expense of multiple applications for tenants</li> <li>E.5.f. Amount of, or process for rent increases of existing residents.</li> </ul>  | Could be considered as part of City Council's legislative agenda ( #1, #2)  |
| <ol style="list-style-type: none"> <li>1. Continue membership in ARCH or similar programs to assist in the provision of affordable housing on the Eastside.</li> <li>2. Provide adequate capacity to accommodate 20-year housing target.</li> <li>3. Support preservation of existing affordable stock. (See Category 3 for Actions)</li> <li>4. Create and update a database of publicly and privately owned underutilized and/or derelict properties that could be used for affordable housing.</li> <li>5. Develop robust community outreach concurrent with development of strategies to increase public awareness of need for affordable housing, in order to increase acceptance of affordable housing. Include listening to the community, telling the stories of the people who are affected, considering how traffic issues affect perceptions of denser housing, and being respectful of the neighborhoods.</li> </ol> | <p>Included in initial list of possible actions but are considered policy statements or actions that are already in place (#3)</p> <p>Community outreach concurrent with development of strategies is included in the Affordable Housing Strategy work program.</p> |