



Bellevue Affordable Housing Strategy

City Council Extended Study Session

April 24, 2017



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Janet Lewine, Arthur Sullivan

Overview

- Report Contents
- Comments from 3 TAG members
- Report & Recommendation
 - ✓ Strategies & Actions
 - ✓ Preliminary Council direction on recommended actions & implementation
 - ✓ No Council action tonight
- Next steps
 - ✓ Finalize report & recommendation (May)
 - ✓ Work program, implementation & monitoring (Q3)

Report Contents

TAG Transmittal Letter

Introduction

1. Affordable Housing Strategy
2. Housing Need in Bellevue
3. Existing Programs
4. Developing the Strategy
5. Performance Monitoring

Appendices (separate document)

Report Contents

Introduction – Council’s Goal Statement

GP#1 – Recognize that the City has a sizeable affordable housing problem and we are committed to addressing our local challenges and become a regional leader in the affordable housing effort.

TAG Transmittal Letter

GP#6 – Draw upon knowledgeable resources

GP#4 – Establish ambitious goals

Differing perspectives on individual actions, consensus on need for bold action

TAG Members

Andrea Sato

Kantor Taylor

David Hoffman

*Master Builders Association
King & Snohomish Counties*

Dwight Schrag

Downtown Resident

Eric Campbell

Main Street Properties

Hal Ferris

Spectrum Development

James McEachran

*Human Services
Commission*

Jan Laskey

Affordable Housing Finance

Katherine Jordan

Lake Hills Resident

Kim Loveall Price

*Downtown Action to Save
Housing*

Michael Orbino

Seattle-King County Realtors

Rich Wagner

Baylis Architects

Sean Martin

Rental Housing Association

Sibyl Glasby

Imagine Housing

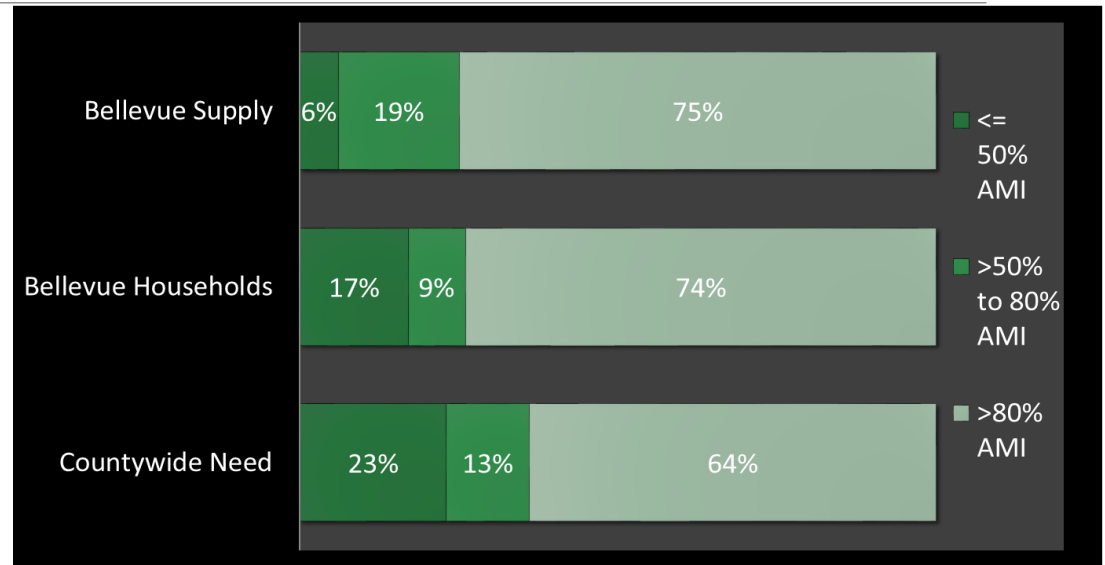
Tim Walter

King County Housing Authority

2. Housing Need in Bellevue

(GP#2 – Identify needs)

- #1 community concern - 68% in 2015 compared to 51% in 2013 (Human Services Needs Update).
- All business sectors rated Bellevue low on affordable housing options (Business Survey 2015).
- 41% had difficulty finding trained/qualified staff; 50% retail, 60% tourism (Business Survey 2015).



County residents making about \$20.00 per hour*

Teacher (Entry)



**Customer
Service Rep**

\$18.68



\$20.86

**Medical
Assistant**

\$18.65



\$21.21

Bookkeeper



**Dental
Assistant**

\$20.35



SOURCE: WA Employment Security Dept.
Workforce Explorer: King County, 2015

* (\$42,000 annually; or 60% of median for a single person or 45% of median for a family of 4)

3. Existing Programs

GP#5 - Build upon ongoing and recent tools the City has developed while strengthening partnerships with relevant organizations.

- Partnerships – ARCH, KCHA, DASH, Imagine
- Ongoing – General fund & CIP contributions to affordable housing
- Code incentives – density bonuses (citywide, BelRed), small units for seniors, reduced parking, home repair, utilities, Human Services Fund



4. Developing the Strategy

GP#6 – Draw upon knowledgeable resources.

TAG, stakeholders, effective practices from other places

GP#7 – Consider a full suite of tools.

Land, code changes, incentives, requirements, leveraging, funding, partnering

GP#8 – Tailor affordable housing approaches to different areas of the city.

GP#11 – Robust public outreach and engagement.



4. Developing the Strategy

- Comprehensive Plan Housing Element
- Economic Development Plan
- TAG – technical analysis/outputs
- Public engagement summary (Appendix 5)
 - Tested initial ideas
 - Workshop discussion on various draft actions
 - By action – overall impression, specific concerns

5. Performance Monitoring

GP#10 – Monitor results and adjust as needed.

- Implementation Monitoring (2-3 years)
 - Track when actions are put into practice
 - Engage public, stakeholders & potential partners
- Performance Monitoring (ongoing)
 - Indicators of progress/effectiveness by strategy
 - Reports & adjustments every 3-5 years

How many affordable units?



People served



Public investment



Who provides?



1. Affordable Housing Strategy

A. Help people stay in affordable housing

- Preservation of existing affordable
- Program assistance

B. Create a variety of housing choices

- Micro apartments
- Detached ADU
- Support home ownership



1. Affordable Housing Strategy

C. Create more affordable housing

- Increase capacity
- Update existing tools
- Reduce costs
- Incentives &/or requirements

D. Unlock housing supply by making it easier to build

- Reduce costs
- Condo development
- Expand use of FAR in multi-family zones

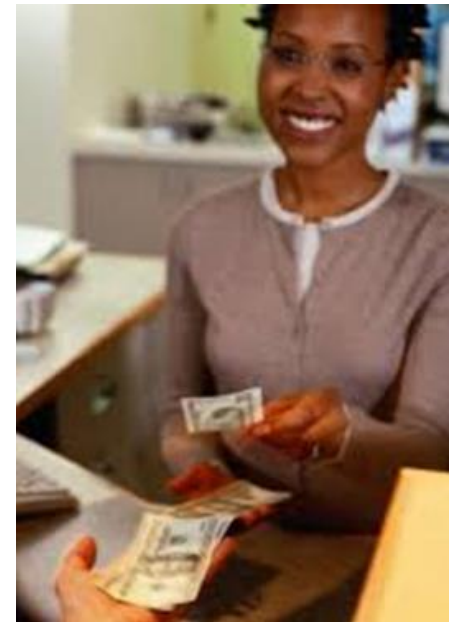
1. Affordable Housing Strategy

E. Prioritize state, county & local funding for affordable housing

- Existing sources
- Partnerships
- Advocate for additional tools

➤ ***Implementation***

- Next steps for each action
- Timeline
- City departments



Preliminary Council Direction

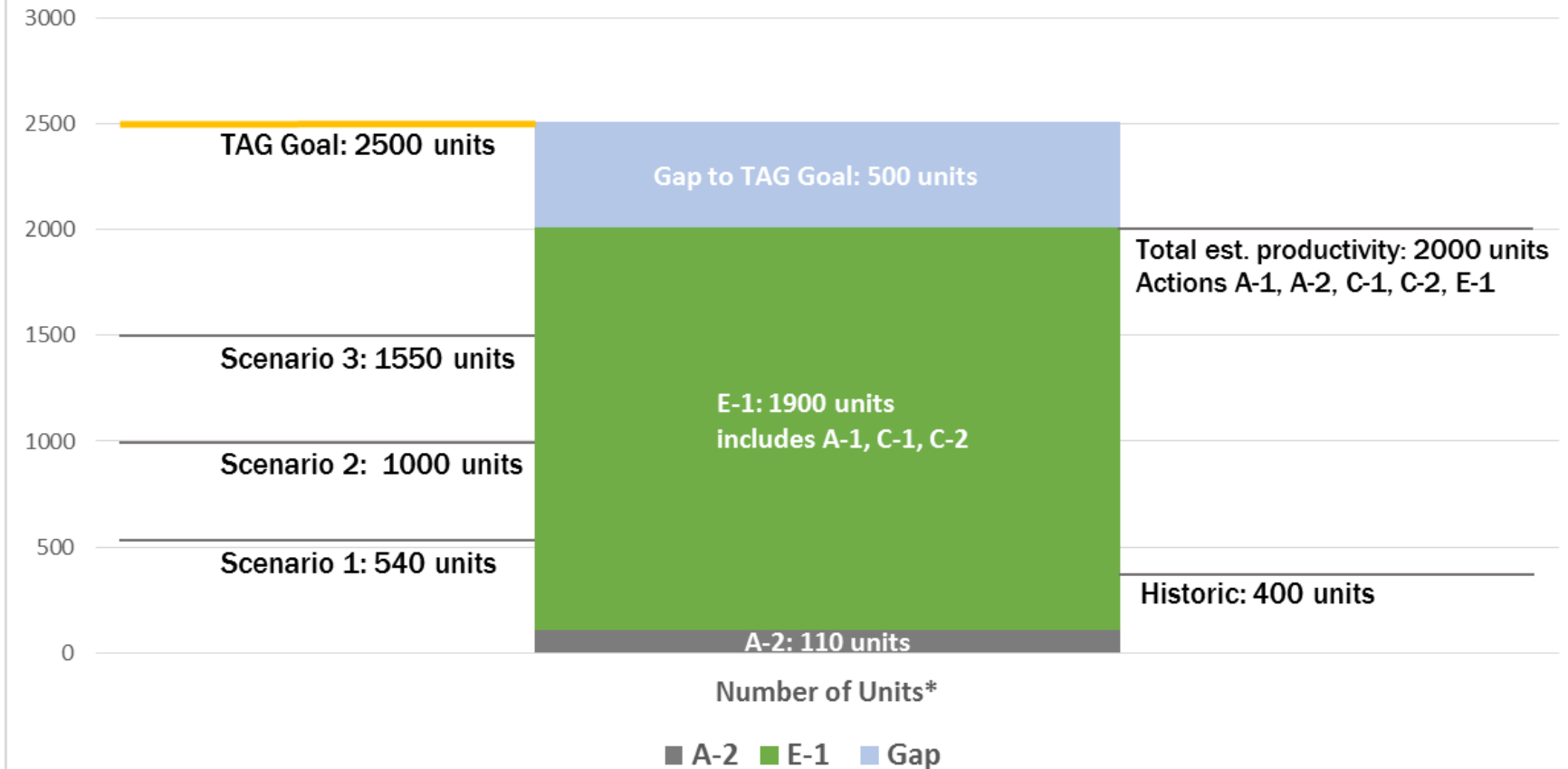
Funding scenarios (Action E-1)

- Primarily below 60% AMI – requires public funding
- Additional analysis on 1 or more scenarios – potential funding sources, budget implications

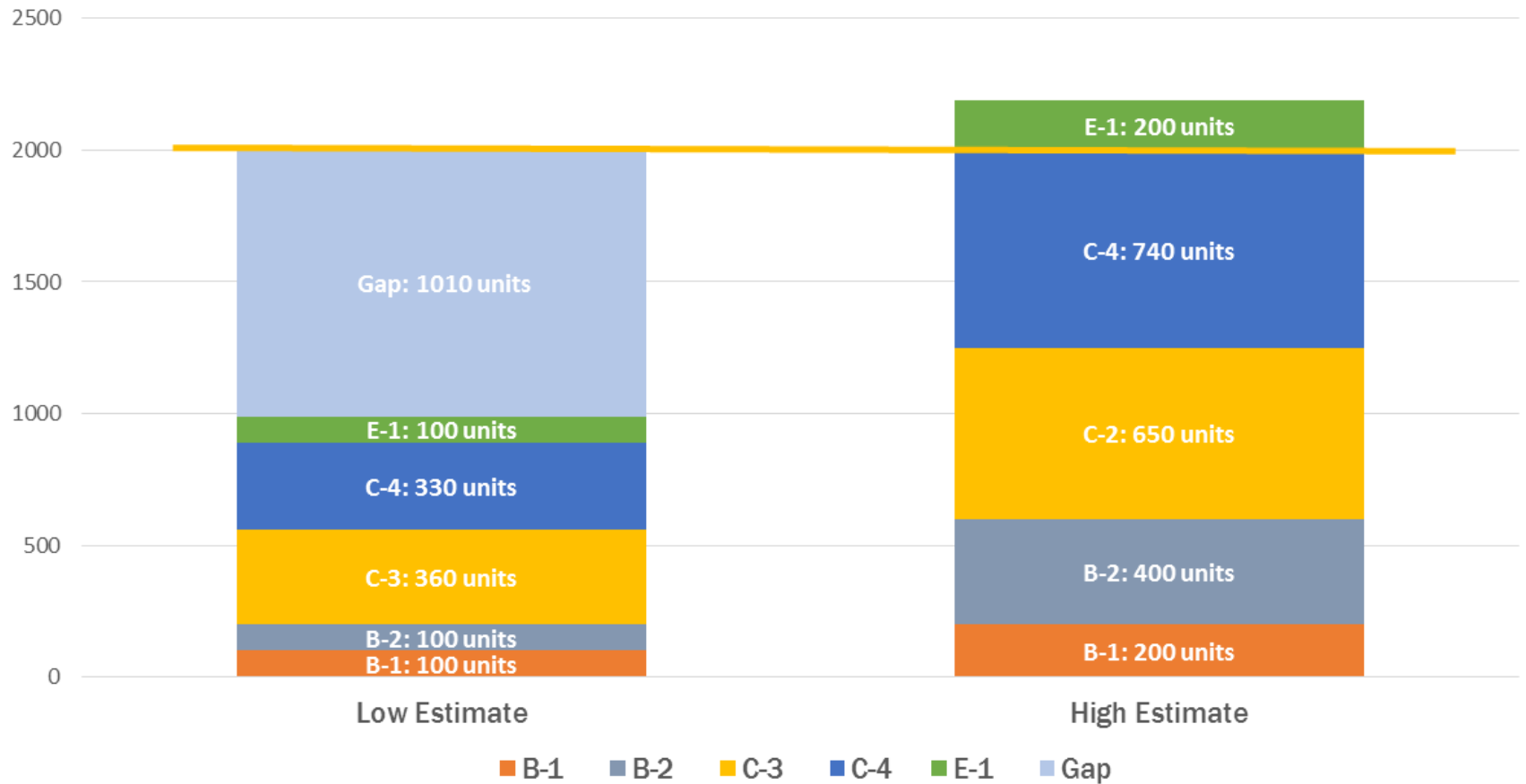
Affordable Housing Strategy Estimated Cost and Funding Scenarios

	Historic Funding Continuation of historic levels 400 units/10 years		Scenario 1 Historic Funding + \$0.5 M CIP for 10 years 540 units/10 years		Scenario 2 Maximize leverage of outside funds 1,000 units/10 years		Scenario 3 Scenario 2 plus additional city funding 1,550 units/10 years	
	Biennial Cost ^{1,2}	10-Year Cost ^{1,2}	Biennial Cost ^{1,2}	10-Year Cost ^{1,2}	Biennial Cost ^{1,2}	10-Year Cost ^{1,2}	Biennial Cost ^{1,2,4}	10-Year Cost ^{1,2,4}
City funds	\$2 M³	\$10 M	\$3 M	\$15 M	\$9 M	\$45 M	\$32.75 M	\$163.75 M
Leveraged funds	\$16 M	\$80 M	\$21.3 M	\$106.5 M	\$36 M	\$180 M	\$36 M	\$180 M
Total cost	\$18 M	\$90 M	\$24.3 M	\$121.5 M	\$45 M	\$225 M	\$68.75 M	\$343.75 M

Up to 50/60% AMI 10-Year Estimated Productivity of Actions



50/60% to 80% AMI 10-Year Estimated Productivity of Actions

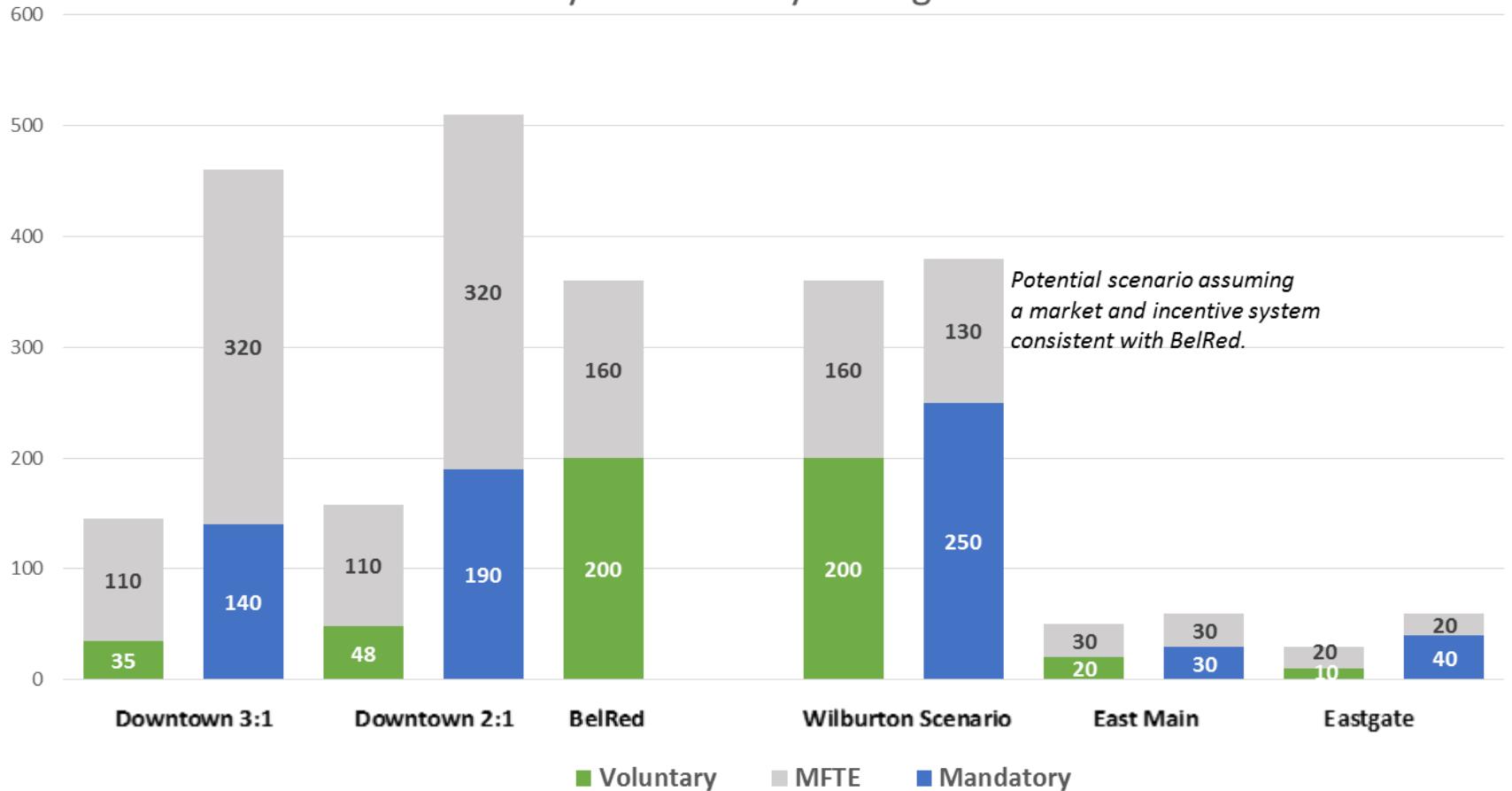


Preliminary Council Direction

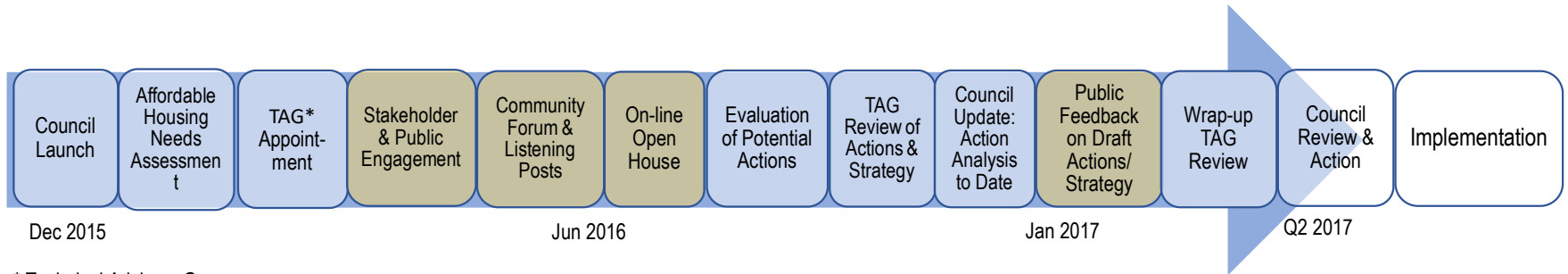
Inclusionary Zoning: Mandatory &/or Voluntary programs (Action C-4)

- 60% - 80% AMI
- Multiple actions – Inclusionary key action
- 5 growth areas – started w/voluntary incentive
- Upzones – e.g. BelRed incentive system
- Preliminary direction for additional information & final strategy
- Is there Council interest in mandatory city wide or for any area?

10-Year Estimate of Affordable Units Created by Inclusionary Zoning and MFTE



Affordable Housing Strategy - Where are we in the process?



* Technical Advisory Group

- Council direction – additional analysis for final report
- Finalize report & recommendation
- ***Affordable Housing Strategy*** for Council action (May)
- Work program, implementation & monitoring (Q3)