



Affordable Housing Strategy



Bellevue City Council Study Session

December 14, 2015

Direction Requested Tonight

Seeking Council initiation of the **Affordable Housing Strategy** work program

With approval of:

- Project scope
- Council Principles
- Public Engagement Plan

Existing Policy Direction

City Council Priority:

Develop an affordable housing plan for the needs of our diverse population.

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....

Economic Development Plan Strategy E.1:

Develop a city-wide strategy to expand workforce housing options by exploring all manner of tools....

Bellevue Housing Needs

Key points – Bellevue Affordable Housing Needs Assessment (Attachment C):

- Housing prices have risen much faster than incomes
- Downtown and W. Bellevue average rents, about \$2,000 month, unaffordable for households at 80% median income
- One in three Bellevue renters are cost-burdened, with housing costs exceeding 30% of income
- Many seniors and younger households cannot afford to live in the community that has been their home
- Many workers can't afford to live near their jobs

Initial step of work program is to update housing needs assessment; develop clarity on Bellevue's housing needs.

Existing Bellevue Affordable Housing Tools

Market Incentives including Financial Incentives

Can incent private market to create and preserve affordable units

- BelRed FAR amenity incentive- 1st tier for residential development
- Multifamily Housing Property Tax Exemption (MFTE)
- Reduced parking requirement Downtown and BelRed for small, affordable units
- Exemption of transportation impact fees for affordable housing
- Modest affordable housing density bonus available citywide

Direct Support

Typically leverages other funding

Partners with non-profits / ARCH role

- General Fund contributions (housing trust fund administered by ARCH)
- Donation of surplus land for affordable housing

Other Tools

- Planned affordable housing at transit nodes in BelRed
- Attached accessory dwelling units

Scope / Approach

1. Develop clarity about Bellevue's housing need and what we are trying to accomplish
2. Assess tools currently in place
3. Review best practices/most effective tools being used elsewhere
4. Develop a focused set of additional tools
5. Review public funding levels /current public resources including updating the ARCH Housing Trust Fund goals
6. Integrate into an action plan
 - what the City is working to achieve
 - tools to be utilized
 - metrics to gauge performance

Draft Council Principles

See Attachment A

1. Focus on action.
2. Establish ambitious goals.
3. Build upon ongoing and recent tools the City has developed.
4. Draw on knowledge of local experts.
5. Recognize that the City is one player in a complex system.
6. Consider a full suite of tools.
7. Tailor some tools to different areas of the City.
8. Leverage resources.
9. Monitor results, and adjust as needed.
10. Ensure robust public outreach and engagement.

Public Engagement

- Foster broad public engagement throughout the shaping of the strategy
- Stakeholders and interested parties (in no particular order):
 1. City residents including neighborhood leaders
 2. Local employers and business groups
 3. Low-income and vulnerable persons seeking affordable housing
 4. Market housing developers
 5. Non-profit housing developers (e.g. DASH, Imagine Housing)
 6. Housing finance professionals
 7. Other public funders
 8. Public policy advocates (e.g. Futurewise, Housing Development Consortium)
 9. City employees who work in areas with overlap (Human Services, Economic Development, Diversity, etc.)

Public Engagement Draft Outreach Stages

stage	focus
1. Project Launch <u><i>Important Initial Input</i></u>	<ul style="list-style-type: none">• Community Needs Assessment• Identify stakeholders, interest groups• Dialogue information out and receive initial community comments and concerns
2. ID Preliminary Strategy Set	<ul style="list-style-type: none">• Identify broad range of proven strategies, tools, and best practices• Is the strategy list complete?
3. Narrowed List of Most Effective Strategies <u><i>Key Feedback Stage</i></u>	<ul style="list-style-type: none">• Are these the most effective strategies?• Are tools appropriate for Bellevue?• How to implement them the right way?
4. Preliminary Report	<ul style="list-style-type: none">• Feedback on overall affordable housing strategies

Major Milestone Timeline

Council launch; direction on project scope	December 2015
ARCH Consortium-wide outreach to stakeholders	Jan-Mar 2016
Technical evaluation of tools; best practices	Jan-Mar
Council appoints steering committee <ul style="list-style-type: none">• Additional funding tools, legislative strategy	January
Community Survey (online) Updated Affordable Housing Needs Assessment	March
Extensive public process, engagement on potential tools	Ongoing
Steering Committee narrowing on most promising strategies	April-May
Council check-in/direction on most promising tools <ul style="list-style-type: none">• Initial discussion of new funding tools post Legislative Session	June
Draft Strategy Plan for public review	September
Final recommendations	Oct-Nov
Council approves final Affordable Housing Strategy Plan	Nov-Dec

Council Feedback

- Questions?
- Specific Council interests and hopes for this project?
- Direction on **scope, Council principles, and public engagement plan**