

# 2018 Bellevue Neighborhoods Conference

April 21, 2018

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## Affordable Housing Fact and Myth



# Housing affordability and household income guidelines, 2017

Applicable in King and Snohomish counties.

## 2017 KING COUNTY INCOME AND HOUSING AFFORDABILITY GUIDELINES

	Studio (1 Person)	1-Bedroom (2 People)	2-Bedroom (3 People)	3-Bedroom (4 People)
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### VERY LOW INCOME: 30% of Median Income

Household Income	\$20,160	\$23,040	\$25,920	\$28,800
Max. Affordable Rent*	\$504	\$576	\$648	\$720

### LOW INCOME: 50% of Median Income

Household Income	\$33,600	\$38,400	\$43,200	\$48,000
Max. Affordable Rent*	\$840	\$960	\$1,080	\$1,200

### MODERATE INCOME: 80% of Median Income

Household Income	\$53,760	\$61,440	\$69,120	\$76,800
Max. Affordable Rent*	\$1,344	\$1,536	\$1,728	\$1,920
Max. Affordable Purchase	\$198,930	\$227,350	\$260,020	\$292,700

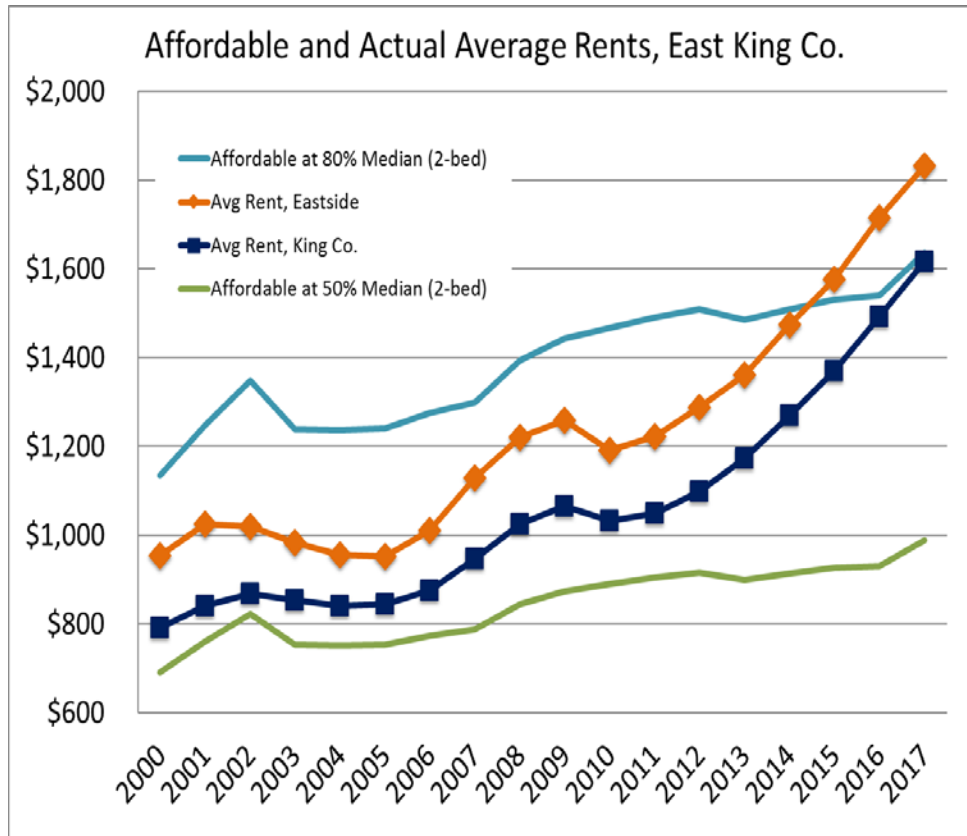
**King County Area Median Income (AMI): \$96,000**

Source: U.S. Housing and Urban Development Income Limits

\*Rents are net of deducting for a utility allowance.

# Housing Costs

Our region has seen home prices grow faster than anywhere else in the country for the last 16 months in a row



Bellevue median rent  
1-bedroom \$1,960  
2-bedroom \$2,180

Median sales price for single family:  
East Bellevue: \$985,000  
West Bellevue: \$2,070,000

Eastside \$950,000

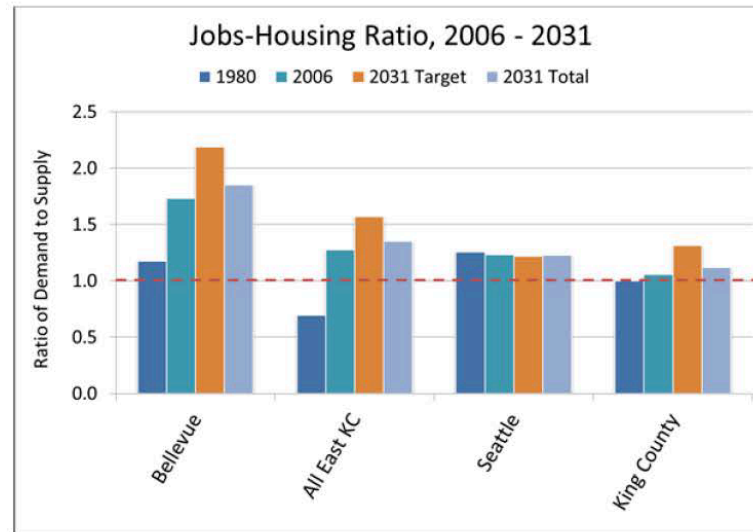
# Housing Need

Much of Housing Demand from local workforce.

❖ Bellevue & East King County as a whole generate more demand for housing from its workforce than available housing.

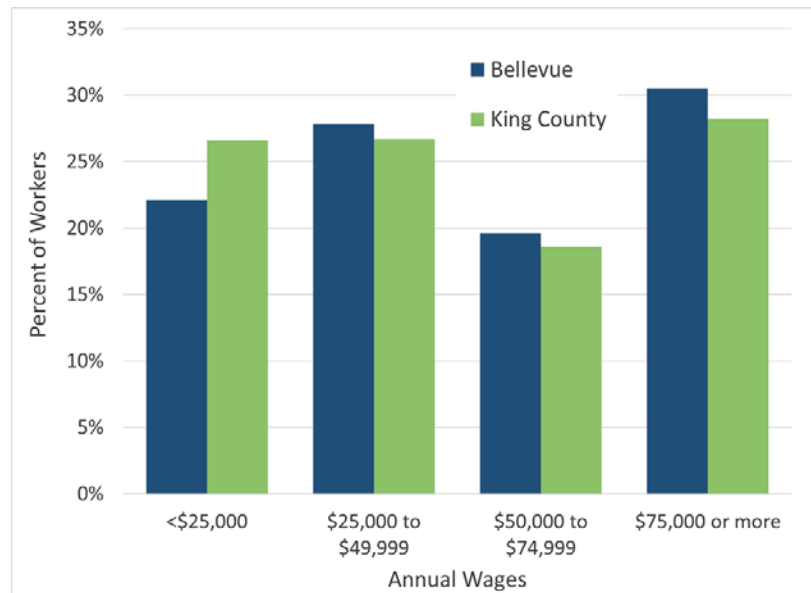
❖ Range of salaries: just under 50% of jobs pay less than \$50,000.

Figure 38: A primary demand for housing comes from a community's workforce



2031 Target based on GMPC Housing and Employment Growth Targets

	Bellevue	East King County
Employment	53,000	133,400
Demand for Housing	37,850 units	95,300
Housing	17,290 units	60,650



# Local workers earning \$15 - \$20 hour



Barista  
\$11.09 / hour



Grocery Clerk  
\$13.95 / hour



Cook  
\$13.37 / hour



Customer Service  
Representative  
\$18.68 / hour



Bookkeeper  
\$21.21 / hour



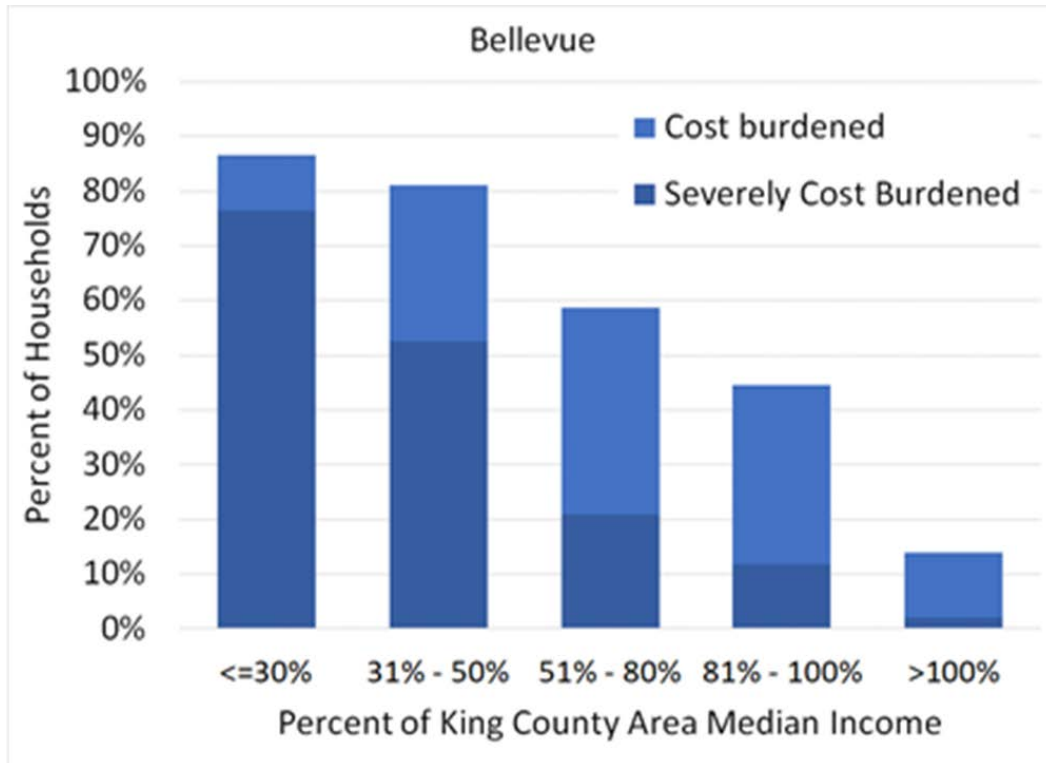
Medical Assistant  
\$18.65 / hour

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**Workers earning less than \$15 hour or \$31,000 annually can only afford rents of less than \$800. mo.**

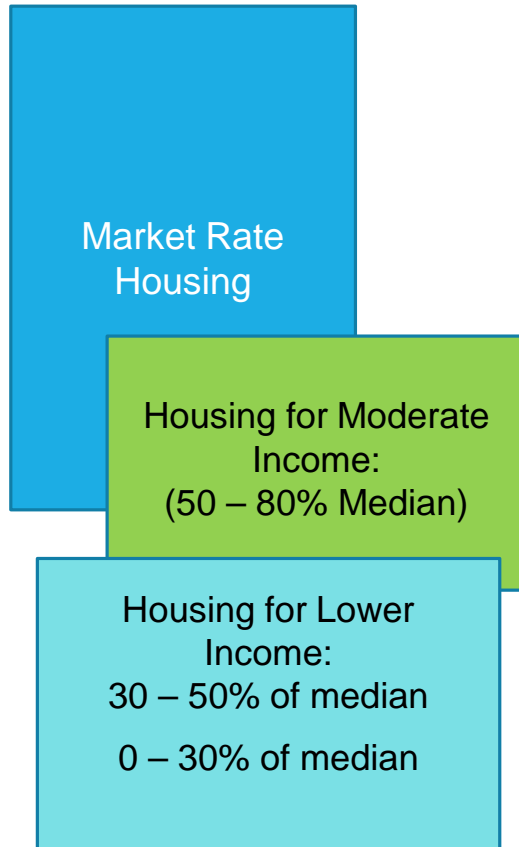
**Workers earning about \$20 hour/\$42,000 annually can afford rents of about \$1,000 mo.**

# Housing Affordability / Cost Burdened Households



- Housing Affordability  
#1 community concern  
77% in 2017, 68%: 2015, 51%:  
2013 (Human Services Needs Update)
- 16% renters & almost 1/3 senior renters spend more than 50% of income on housing. Standard is <30% of income.
- Greatest need is for lower incomes. Need is for 24% of housing affordable to lower incomes. Bellevue currently <7%  
Gap: over 8,000 Units.

# Range of Strategies



## **Market increase diversity and general affordability**

- Housing capacity to accommodate growth/ efficient permitting
- Allow diversity of housing – multifamily/ small single family/ microunits / senior housing

## **Incentive to create affordability through market (generally moderate income)**

- Accessory dwelling units
- Land use density incentives
- Multifamily property tax exemption

## **Direct assistance programs (generally lower income)**

- Direct Funding (ARCH Housing Trust Fund)
  - Leverages other public fund sources
- Surplus land
- Impact fee waiver

# Existing Bellevue Affordable Housing Tools

## Market Incentives including Financial Incentives

*Can incent private market to create and preserve affordable units*

- BelRed/DT/Eastgate FAR amenity incentive-
- Multifamily Housing Property Tax Exemption (MFTE)
- Reduced parking requirement Downtown/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 (Trust fund administered by ARCH)
- Donation/sale of surplus land for affordable housing

## Other Tools

- Planned affordable housing at transit nodes in BelRed
- Attached accessory dwelling units
- Home repair program
- Utility relief program



# Housing Mix in Centers

Citywide, over 90% of future residential capacity is in mixed use areas such as downtown and Bel-Red. Similar focus for growth in other EKC cities.

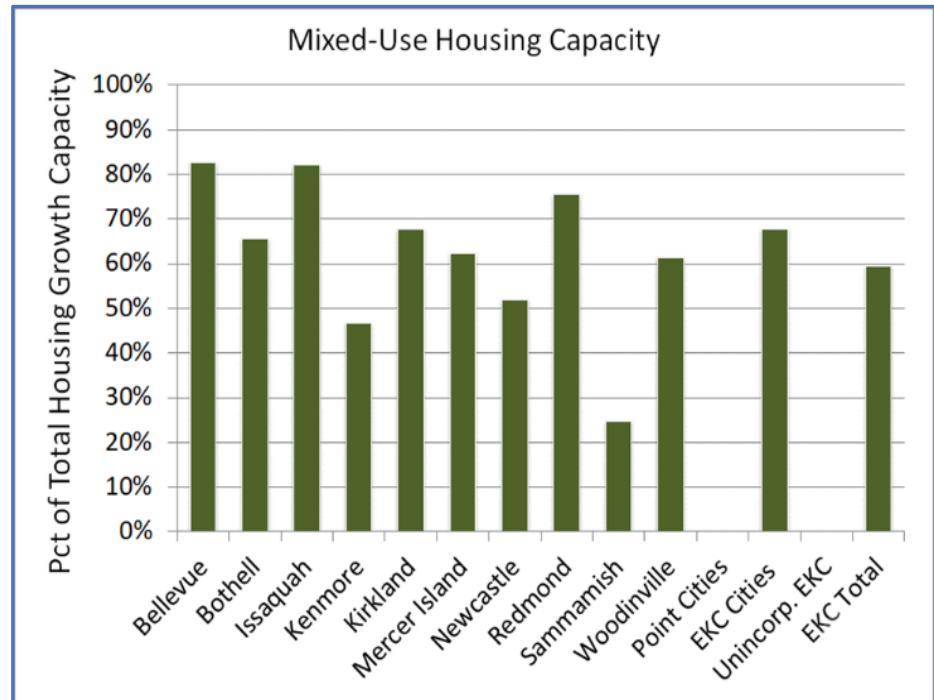
High proportion of smaller units in urban centers responsive to high proportion of smaller households.

Given high proportion of future growth, some demand for households with children.

Figure 3: Just over 4,000 units have been built in Downtown Bellevue over the last 15 years



Note: Unit counts are for Downtown Bellevue only.  
Source: Dupre + Scott Apartment Advisors, 2015.



# Accessory Dwelling Units (ADU's)

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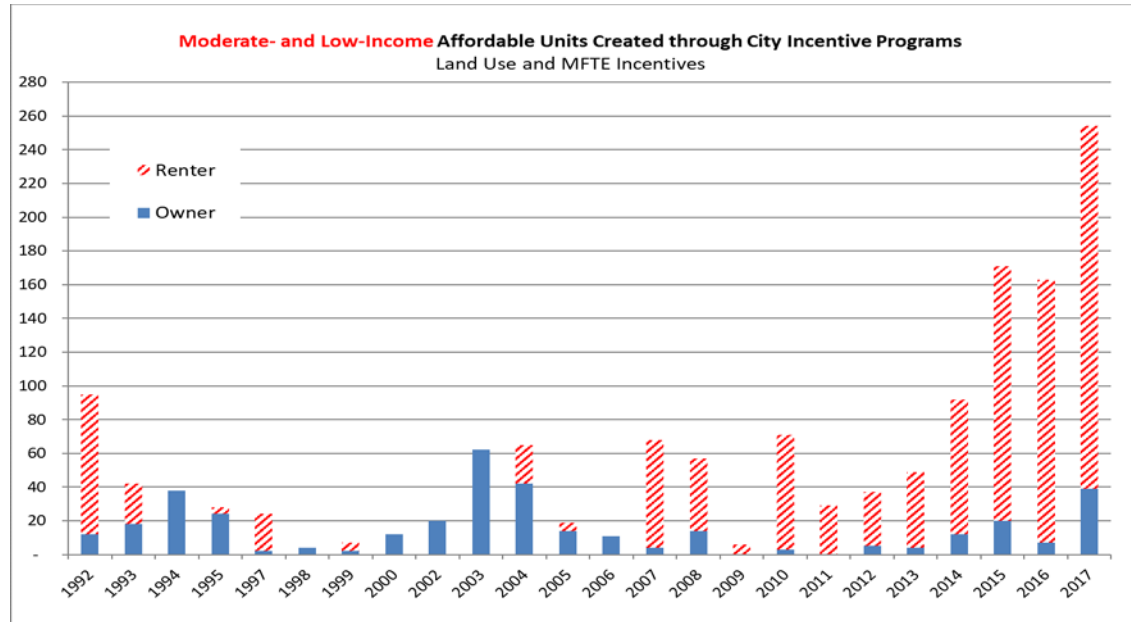
Link increased development capacity with affordable housing

8 Cities in East King County have program with mandatory or voluntary provisions

Increased significantly in last few years

Create moderate priced ownership and rental housing

# Land Use Incentives East King County



# Land Use Incentives: Bellevue Experience

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- Areas with Provisions:
  - Bel- Red
  - Eastgate
  - Downtown
  - Citywide 15% bonus
- Targeted Income Level: Typically 80% median income
- Bonus varies
- If use with MFTE, affordability down to 60% median income



# Micro apartments Near Transit



## What is a 'micro unit'?

- Limited Size
- Independent units (bath, cooking)
- Typically some common area  
(May include larger kitchen)
- Reduced Parking
- May bundle costs (e.g. utilities)
- Relatively affordable

# EKC Cities Trust Fund (ARCH)

DD Group Home, Parkview



- A combination of:
  - general funds
  - federal CDBG funds and
  - 'Other' (e.g. land, fee waivers, repayments).
- New and preservation
- Contingent Loans / Secured grants
- Support locally initiated projects

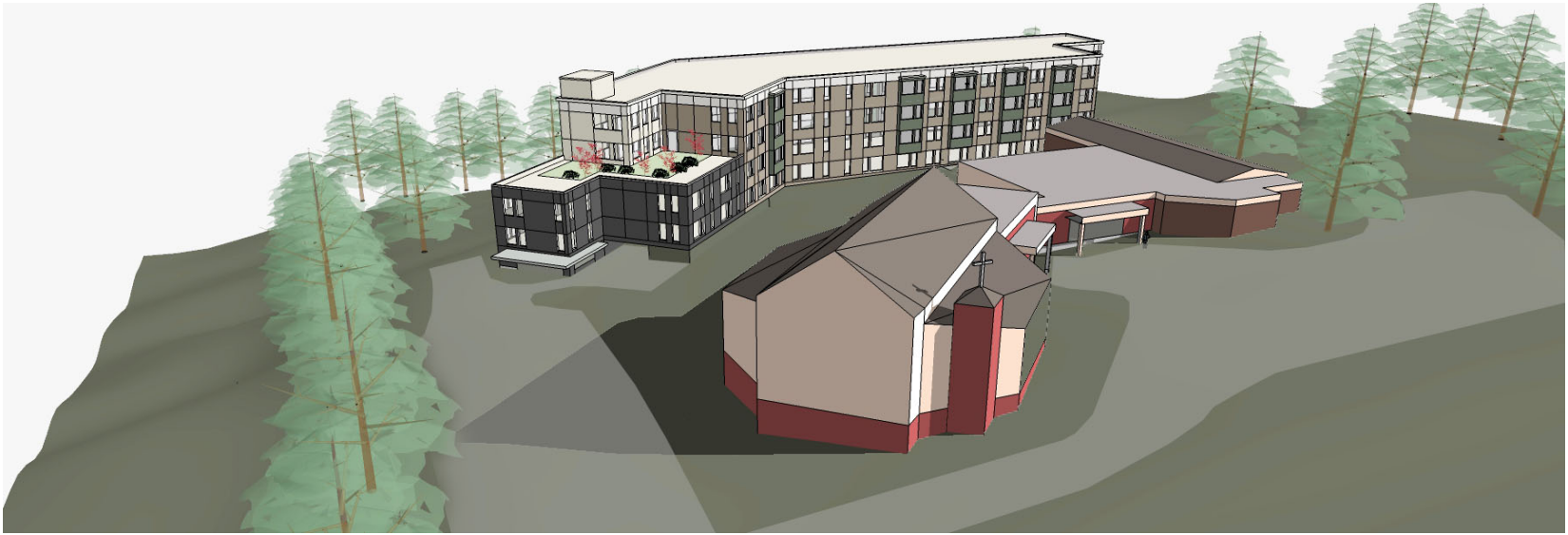
## PROJECTS ASSISTED 1993 - 2017

HOUSING TYPE	# UNITS / BEDS	FUNDING*	PERCENT TOTAL	GOAL
Family	2,333	\$36,860,000	58%	(56%)
Senior	669	\$10,480,000	17%	(19%)
Homeless	482	\$12,290,000	20%	(13%)
Special Needs	163	\$3,380,000	5%	(12%)
<b>TOTAL</b>	<b>3,647</b>	<b>\$63,010,000</b>	<b>100%</b>	

\* Includes funding, land donations, fee waivers

Total Development Costs: ~\$595 million

# Creating opportunity: Faith Properties



# Creating opportunity: Surplus/underutilized public land



Woodinville (King County)



Bellevue



Kirkland



# Creating Opportunity: Preservation

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Privately owned Federally Assisted Housing  
(over 600 units -- ~350 in Bellevue)

NOAH (Naturally Occurring Affordable Housing)

**Bellevue Manor, KCHA**



**Wildwood Court, DASH**



**Chalet, Imagine Housing**

# Bellevue's Affordable Housing Strategy

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The AHS consists of five interrelated strategies and a 21 actions that are designed to address key aspects of this complex issue:

- A. Help people stay in their affordable housing**
- B. Create a variety of housing choices**
- C. Create more affordable housing**
- D. Unlock housing supply by making it easier to build**
- E. Prioritize state, county and local funding for affordable housing**

# Jump Start Phase 1 Actions

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- Update Multifamily Tax Exemption
- Density bonus for suitable public, non-profit & faith parcels
- Incentives Downtown & Eastgate / followed by East Main, Wilburton
- TOD affordable housing- 130<sup>th</sup> & OMFE
- Partner to preserve existing affordable MF housing



# Example Phase 2 Actions

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- Promote programs that help seniors remain in their homes
- Encourage micro-apartments around light rail stations
- Update Accessory Dwelling Unit standards
- Increase funding for the city's home repair program
- Tap additional local funding for affordable housing
- Advocate for legislative action that expand funding, local tools

