



DATE: July 3, 2013

TO: Chair Tebelius and Members of the Planning Commission

FROM: Paul Inghram, AICP, Comprehensive Planning Manager, PCD 452-4070
pinghram@bellevuewa.gov
Arthur Sullivan, ARCH Program Manager, PCD 861-3677
asullivan@bellevuewa.gov
Janet Lewine, AICP, Associate Planner, PCD 452-4884
jlewine@bellevuewa.gov

SUBJECT: Comprehensive Plan Update: Human Services & Housing Analysis

The July 10, 2013, study session will continue the Comprehensive Plan Update review of the Housing element. An overview of housing and human services elements and the draft East King County Housing Analysis were presented to the Planning Commission on March 13, 2013. Staff will present a completed Housing Analysis report and continue our review by considering the significance of the data as it applies to the review of policies.

The Human Services Commission is also reviewing the human services information and policies and will provide feedback to Planning Commission before the next scheduled review. No action is requested at this time.

BACKGROUND & ANALYSIS

The City's Comprehensive Plan last underwent a major review in 2004. Thus, with adoption scheduled for 2014 it will be a 10-year update of Bellevue's Comprehensive Plan. The Planning Commission began its review of the Comprehensive plan in 2012 and has continued with a series of study sessions this year reviewing individual components of the plan.

The update of the plan consists of four general steps:

1. Introduction and overview of elements
2. Review data, consider best practices, and define opportunities and gaps
3. Identify policy themes and direction
4. Draft specific policy amendments

This study session on housing combines elements of steps 1 and 2 in that it will continue review of the current Housing Element and look at housing need and demographic data that may influence the future direction of Bellevue's housing policy.

How the Housing Element is Organized

The state Growth Management Act (GMA) housing goal speaks to providing housing choice and affordability and well as preserving existing neighborhoods:

Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.

Also, the GMA requires that each county and its cities plan to accommodate the growth that is projected over the next 20 years. The City's Housing Element is organized to address this broad charge. It begins with the data (*now out of date*) that establishes the City's housing need and housing capacity. The element then focuses on four specific topics of the city's housing policy:

The **Neighborhood Quality & Vitality** section recognizes the diversity and quality of Bellevue's neighborhoods. It also recognizes that neighborhoods are not static over time and that they evolve to meet the changing needs and lifestyles of the residents and the community.

The **Housing Opportunities** section provides the policy framework for increasing the housing supply while protecting existing neighborhoods - a critical challenge for Bellevue.

Bellevue's **Affordable Housing** policies direct the city's efforts to create housing opportunities for all economic segments of the population through regulatory and incentive approaches.

The **Special Housing Needs** section addresses the needs of some members of the community who cannot live on their own due to disability, health, age, or other circumstances that require special accommodations. Unfortunately, the difficulties some people have in finding housing may be so extreme as to result in homelessness. The city supports emergency housing and takes an active role in creating a variety of housing opportunities for those with special needs.

Assessment of the Housing Element

Overall, the current Housing Element continues to work well and provide policy support for the City's housing program and work items. This is not to say that the City is fully meeting its housing affordability objectives, but rather that policy direction generally exists and that the City continues to work to find effective means of implementation.

Bellevue's adopted 2006-2031 housing target is to achieve 17,000 additional housing units. With a housing capacity of about 18,600 additional housing units under the current zoning, little change is needed to housing policy to address the overall need – although the Comprehensive Plan does need to be updated to recognize the current target.

Housing affordability has been a long-standing concern of Bellevue residents and comments during early outreach have continued to indicate affordability as an important issue. In the past, cities had specific targets for the creation of affordable housing that was a percent of each city's target for new housing. As found in the current Housing Element (top of page 59), Bellevue's

target is for 24 percent and 17 percent of new housing in Bellevue to be affordable to low income and moderate income households (defined as 80% and 50% of area median income).

Actual development of new/preserved affordable housing in Bellevue is as follows:

Bellevue Provision of New/Preserved Affordable Housing: 1993 – 2010

	Direct Assistance	Land Use Incentives	Market	Sub-Total	Annual Average	Annual Target**
Low Income-50% median	850	0	8	858	48	105
Mod. Income-80% median	582	323	1,152	2,057	117	74

* Includes permits for accessory dwelling units, density bonuses, etc.

** Based on 1993-2013 growth targets

Bellevue exceeded the target for moderate income housing. However, like other Eastside cities, Bellevue was substantially lagging in the creation of low income housing.

Change from Targets to Needs Assessment

During the recent update of the Countywide Planning Policies the affordable housing targets came into question. Some cities noted the effectiveness at creating a target to work towards. Because the targets were calculated as a straight percentage of new housing, the targets were easy to understand. However, the targets were also seen as nearly impossible to achieve, especially for Eastside cities and several south King County jurisdictions expressed concern that the methodology for allocating targets did not account for the existing stock they already have that is affordable to lower income households. At the direction of the *King County Growth Management Planning Council*, staff from Bellevue, ARCH, other cities and King County worked to develop an alternative solution. It was recognized that the affordable housing targets, as used in the past, were unacceptable to a number of cities, and that modifying the targets – such as by providing discounts for some cities – would be unacceptable to others.

The update to the Countywide Planning Policies, which was ratified by Bellevue and other cities in 2012, removed the affordable housing targets altogether and replaced them with increased emphasis on identifying the countywide *need* for affordable housing and the *steps* each city could take to address the need. The new Countywide Planning Policies focus more on implementation strategies and expressly call out four steps that each city should complete, which is consistent with the housing review we are completing as part of the Comprehensive Plan update:

1. Conduct housing supply inventory and needs assessment
2. Implement policies and strategies to address unmet needs
3. Measure results
4. Respond to measurement results with reassessment and adjustment of strategies

By focusing on the housing *need* the policies are aimed at recognizing the different challenges cities face and the different actions they may take with regard to developing and retaining housing stock to serve lower income populations.

In the process of updating the Countywide Planning Policies it was discovered, unsurprisingly, that the greatest challenge is meeting the housing need for households earning less than 30% of the Area's Median Income (AMI). While market rate housing meets affordability needs in some locations for some moderate income households, all areas of the county struggle with meeting the need for very low incomes.

One of the key changes to the Bellevue Housing Element will be to recognize the change in direction from specific affordable housing targets to better addressing the need for housing at various income levels and linking policy support to the necessary implementation steps.

The East King County Housing Analysis

A draft of the East King County Housing Analysis was presented to the Planning and Human Services commissions in March. An updated draft is included with the packet. The goal of the Housing Analysis is to provide all ARCH (A Regional Coalition for Housing) member cities with consistent data and analysis that will inform and assist in the updates of local comprehensive plans, as well address the new countywide direction to identify the need for housing at lower income levels. Through ARCH, Bellevue works with other East King County cities to address regional comprehensive plan objectives and to collaborate on best practices in housing planning and implementation. At the study session, staff will continue review of the Housing Analysis and identify the implications of the data for the Bellevue Comprehensive Plan update.

Human Services Commission Review

Staff will review the Human Services and Housing elements with the Human Services Commission to seek their assistance at identifying issues that should be updated or more comprehensively addressed. The comments of the Human Services Commission will be brought back to the Planning Commission at a later study session.

NEXT STEPS

At future engagements on the Human Services and Housing elements staff will present an analysis of specific gaps and opportunities to consider in the update. These next discussions will also incorporate the Human Services Commission's review and recommendations.

ATTACHMENTS

1. Housing Affordability Table

Provided under separate cover

East King County Housing Analysis and Appendix 5/16/2013

Please bring your workbook binders that include copies of the current Housing Element. The current Housing and Human Services elements are also available online:

http://www.ci.bellevue.wa.us/comprehensive_plan.htm

Housing Affordability for Cities and UKC by Sub-Region

Based on ACS 2006 – 2010 Gross Rents and Home Values

Housing Affordability Based on 2006 - 2010 ACS data				Percent of All Units Affordable for Various Income Groups									
Sub Region	CITY OR CDP	Occupied housing units	RENTER-OCCUPIED Housing Units	OWNER-OCCUPIED Housing Units	Percent of HH in Income Group	<30% AMI (all rental)	31 - 50% AMI (combo)	All Units under 50% AMI (combo)	51 - 80% AMI (combo)	81 - 120% AMI (combo)	121 - 180% AMI (combo)	Over 180% AMI (all owner)	Total
						12.5%	11.2%	23.6%	16.0%	19.0%	18.7%	22.7%	100.00%
EAST SUB-REGION													
E	Beaux Arts Village	123	15	108		0.0%	0.0%	0.0%	0.0%	8.5%	14.4%	77.1%	100.0%
E	Bellevue	50,337	21,126	29,211		2.4%	7.4%	9.8%	21.9%	22.8%	17.4%	28.1%	100.0%
E	Bothell (part)	13,641	4,823	8,818		1.3%	13.5%	14.8%	23.8%	29.9%	21.6%	9.9%	100.0%
E	Clyde Hill	917	82	835		2.1%	1.7%	3.8%	1.7%	5.0%	5.6%	83.8%	100.0%
E	Hunts Point	163	17	146		6.7%	2.5%	9.2%	0.8%	3.0%	3.8%	83.2%	100.0%
E	Issaquah	11,927	4,287	7,640		3.4%	4.6%	8.0%	22.4%	27.0%	19.9%	22.8%	100.0%
E	Kenmore	7,874	2,117	5,757		2.3%	12.5%	14.8%	16.2%	26.9%	24.8%	17.3%	100.0%
E	Kirkland (Greater)	36,489	12,257	24,232		2.6%	6.3%	8.9%	20.7%	28.1%	21.6%	20.7%	100.0%
E	Medina	1,067	152	915		2.9%	0.8%	3.7%	1.3%	7.6%	6.2%	81.2%	100.0%
E	Mercer Island	9,191	2,152	7,039		2.4%	2.3%	4.8%	10.0%	12.3%	12.8%	60.1%	100.0%
E	Newcastle	3,872	996	2,876		0.2%	4.6%	4.8%	19.8%	17.5%	17.4%	40.6%	100.0%
E	Redmond	22,405	10,558	11,847		1.8%	7.9%	9.7%	26.1%	28.2%	18.7%	17.4%	100.0%
E	Sammamish	14,188	1,568	12,620		0.4%	1.6%	2.0%	5.9%	16.9%	23.5%	51.6%	100.0%
E	Woodinville	4,347	1,553	2,794		1.8%	7.8%	9.6%	23.5%	25.7%	21.7%	19.4%	100.0%
E	Yarrow Point	336	20	316		0.0%	1.5%	1.5%	3.0%	2.5%	4.0%	89.0%	100.0%
E Total		176,877	61,723	115,154		2.1%	6.9%	9.0%	19.9%	24.3%	19.4%	27.4%	100.0%
NORTH SUB-REGION													
N	Lake Forest Park	5,208	895	4,313		1.4%	5.8%	7.3%	15.2%	25.6%	26.1%	25.9%	100.0%
N	Shoreline	21,152	6,723	14,429		3.9%	10.0%	13.9%	23.1%	30.1%	23.4%	9.5%	100.0%
N Total		26,360	7,618	18,742		3.4%	9.2%	12.6%	21.5%	29.2%	23.9%	12.7%	100.0%
NORTHEAST SUB-REGION													
NE	Carnation	708	183	525		3.0%	13.3%	16.3%	17.2%	31.1%	27.0%	8.5%	100.0%
NE	Duvall	2,064	207	1,857		0.6%	9.1%	9.7%	7.6%	30.5%	31.5%	20.7%	100.0%
NE	North Bend	2,213	864	1,349		7.3%	11.9%	19.1%	22.1%	21.6%	18.3%	18.9%	100.0%
NE	Skykomish	70	36	34		8.6%	33.2%	41.8%	41.4%	13.3%	3.6%	0.0%	100.0%
NE	Snoqualmie	3,044	530	2,514		2.7%	3.9%	6.7%	7.4%	27.7%	28.5%	29.7%	100.0%
NE Total		8,099	1,820	6,279		3.5%	8.5%	12.0%	12.6%	26.9%	26.1%	22.3%	100.0%
SOUTH SUB-REGION													
S	Algona	875	264	611		0.6%	19.8%	20.3%	45.6%	25.4%	7.3%	1.3%	100.0%
S	Auburn	26,100	10,417	15,683		4.4%	26.8%	31.2%	31.5%	21.7%	12.3%	3.3%	100.0%
S	Burien	13,849	6,547	7,302		5.4%	19.5%	24.9%	31.4%	22.3%	13.6%	7.8%	100.0%
S	Des Moines	11,568	3,899	7,669		3.0%	18.9%	21.9%	31.8%	25.0%	14.5%	6.8%	100.0%
S	Federal Way	34,232	14,121	20,111		2.5%	21.1%	23.6%	35.0%	24.3%	13.5%	3.6%	100.0%
S	Kent	34,060	17,011	17,049		4.9%	20.3%	25.2%	35.8%	22.7%	12.5%	3.8%	100.0%
S	Milton	2,953	1,418	1,535		1.3%	18.2%	19.6%	43.2%	24.3%	10.6%	2.4%	100.0%
S	Normandy Park	2,764	576	2,188		3.2%	12.0%	15.3%	7.8%	18.4%	22.8%	35.7%	100.0%
S	Pacific	2,094	1,034	1,060		3.6%	19.1%	22.7%	45.5%	21.9%	6.8%	3.1%	100.0%
S	Renton	35,213	15,214	19,999		3.7%	17.5%	21.2%	31.8%	25.7%	15.4%	5.9%	100.0%
S	SeaTac	10,282	4,662	5,620		4.7%	30.4%	35.1%	31.5%	19.9%	10.4%	3.0%	100.0%
S	Tukwila	7,095	3,982	3,113		3.5%	25.7%	29.2%	38.7%	19.3%	9.5%	3.3%	100.0%
S Total		181,085	79,145	101,940		3.9%	21.3%	25.2%	33.4%	23.2%	13.2%	5.0%	100.0%
SOUTHEAST SUB-REGION													
SE	Black Diamond	1,475	106	1,369		0.0%	11.0%	11.0%	25.7%	26.5%	18.2%	18.6%	100.0%
SE	Covington	5,396	711	4,685		0.6%	7.3%	7.9%	31.0%	33.6%	22.0%	5.5%	100.0%
SE	Enumclaw	4,482	1,660	2,822		5.7%	22.6%	28.3%	34.9%	23.8%	11.1%	1.9%	100.0%
SE	Maple Valley	7,372	1,131	6,241		1.9%	4.1%	6.0%	20.8%	36.6%	28.2%	8.4%	100.0%
SE Total		18,725	3,608	15,117		2.3%	10.0%	12.3%	27.5%	31.9%	21.5%	6.8%	100.0%
SEATTLE SUB-REGION													
SEA	Seattle	280,453	143,368	137,085		6.4%	15.0%	21.3%	23.8%	21.9%	16.2%	16.7%	100.0%
SEA Total		280,453	143,368	137,085		6.4%	15.0%	21.3%	23.8%	21.9%	16.2%	16.7%	100.0%
Unincorp King County (CDPs)		87,645	18,492	69,153		2.3%	8.8%	11.2%	19.4%	26.8%	22.6%	20.1%	100.0%
Grand Total		779,244	315,774	463,470		4.1%	13.5%	17.7%	24.5%	23.8%	17.5%	16.5%	100.0%