3.7 NEIGHBORHOODS AND POPULATIONS

3.7.1 INTRODUCTION

This section examines current demographic and socio-economic characteristics of residents of the Study Area as well as surrounding neighborhoods. Data on age, incomes, households, and other characteristics is from the U.S. Census and earlier studies by Leland Consulting Group on behalf of the City of Bellevue. Geographic areas studied include the Study Area, larger subarea region, and neighboring Census tracts.

After describing current conditions, the impacts analysis considers how each alternative could affect neighborhoods and populations both within and adjacent to the Study Area. This includes the potential for population growth, housing types and densities, housing affordability, and access to community services.

This analysis identifies significant impacts using the following thresholds:

- Insufficient capacity to relocate displaced dwellings and population
- Insufficient production of dwellings needed, including affordable units

In addition, each alternative is evaluated using performance measures responding to the City Council Guiding Principles, listed in Section 2.3:

- Capacity for housing and densities that support the light rail station: How could future housing support ridership at the light rail station?
- Housing quantity, diversity in housing forms, and affordability: This includes the total number and type of units; and likely affordability of housing units.
- Number of affordable units incentivized: The potential for creation of affordable units under Bellevue's affordable housing programs.

The features of the alternatives that can mitigate impacts (e.g. proposed land use code and incentives), other City programs and regulations, and other ways to address significant housing and population impacts are included.

3.7.2 AFFECTED ENVIRONMENT

REGULATORY ENVIRONMENT

As described in the Land Use section above, Bellevue is expected to grow by 15,800 housing units and 51,800 jobs between 2012 and 2035. Under current plans, most of this growth would take place in Downtown and BelRed, with a small portion in the Study Area.

The Bellevue Comprehensive Plan, which guides growth in the city over the next 20 years, designates the Wilburton Commercial Area as a mixed-use center. The Plan includes a Housing Element which lays out a vision and goal for housing in Bellevue, as follows:

- Housing vision statement: "Bellevue meets the housing needs of its diverse population, strengthening neighborhoods and communities."
- Housing goal: "To maintain the vitality and stability of single family, multifamily and mixed use neighborhoods, and promote a variety of housing opportunities to meet the needs of all members of the community."

Bellevue has several current policies and program on affordable housing, and also adopted an Affordable Housing Strategy in 2017. Current strategies include:

- **Citywide Voluntary Affordable Housing Bonus** provides dimensional flexibility and density bonuses to encourage construction of affordable housing. This includes a bonus market rate unit for each affordable unit that is provided, up to 15 percent above the maximum density allowed, and modifications to lot coverage or parking requirements.
- The **Multifamily Housing Tax Exemption** (MFTE) provides developers in targeted areas (including the Study Area) with an exemption from property taxes in exchange for setting aside units for income-eligible households.
- **BelRed Incentive Zoning Program:** Development regulations in BelRed allow higher density when amenities such as affordable housing are provided.
- **Eastgate Transit Oriented Development** provides an exemption of up to 1.0 floor area ratio (FAR) for on-site affordable housing, provided that the developer satisfies certain design requirements and that the units remain in perpetuity.
- **Transportation Impact Fee Exemption:** Bellevue exempts transportation impact fees for new low- and moderate-income housing. There must be a signed agreement that the units will remain affordable for the life of the project. Exemptions have been provided on three projects to date, with 104 housing units.

See more information on affordable housing policy in the impacts section below.

CURRENT POPULATION AND DEMOGRAPHICS OF STUDY AREA

Population

There are 246 housing units in the Study Area totaling 250,000 square feet of housing space today. At a citywide average occupancy rate of 93% (U.S. Census American Community Survey, 2011-2015 Five Year Estimate, 2017) that equates to approximately 229 occupied housing units. The average household size in the Study Area is 1.72 persons (Leland Consulting Group, 2017), which means a Study Area population of approximately 394 people today.

Current housing in the Study Area is shown in Exhibit 3.7–1, including address and number of units. All residential buildings are multifamily, and include both apartments and condominiums.

Exhibit 3.7–1 Current Housing in Study Area

NAME	ADDRESS	UNITS
Bella Vista Condominium	117 118TH Ave SE	14
Milano Apartments	12224 NE 8th ST	42
Midlakes Apartments	12028 NE 8th ST	14
Midlakes Condominium	12209 NE Bel-Red RD	60
Brierwood Apartments	12022 NE 8th ST	10
Lake Bellevue Village Condominium	6 Lake Bellevue DR	72
Wilburton II Apartments	145 118TH Ave SE	34
Total Units		**246**

Source: City of Bellevue, King County, Leland Consulting Group, BERK, 2017

Demographics

Demographic information for the Study Area population was analyzed by Leland Consulting Group for its Market Analysis and Development Strategy. This data is summarized below.

Age

The Study Area has a higher proportion of individuals age 25-34 (19.7%) than Bellevue as a whole (15.3%), but lower than Downtown Bellevue (27.6%).

Race/Ethnicity

In 2016, the largest racial/ethnic groups in the Study Area were whites (61%) and Asian (28%), with smaller proportions of two or more races (4.3%), black (3.2%) and some other race (2.6%). In addition, the Study Area had a Hispanic population of 6.7%.

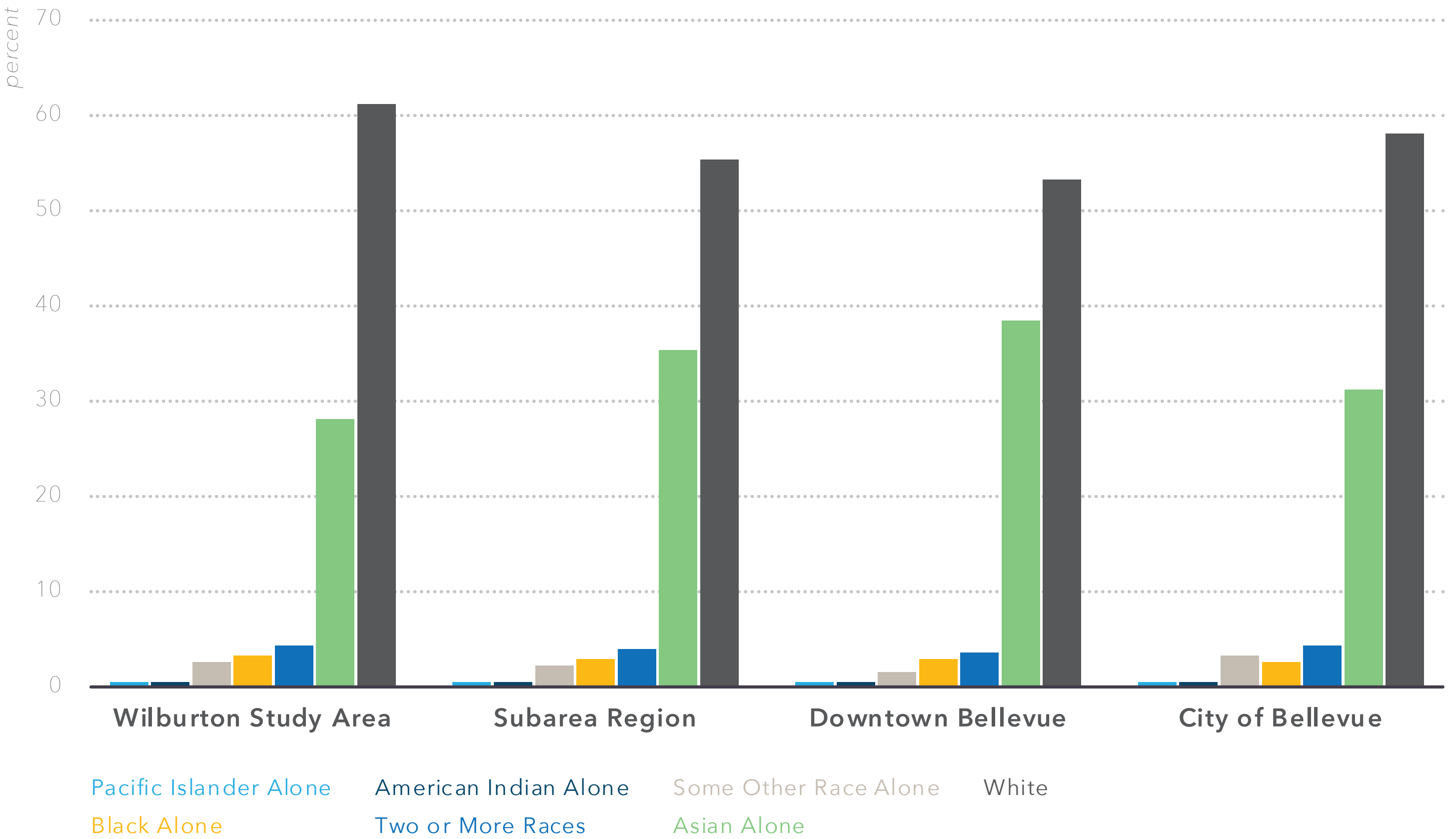

Exhibit 3.7–2 Race/Ethnicity in Study Area, Subarea Region, Downtown Bellevue, and City of Bellevue, 2016

Source: Leland Consulting Group, 2017

Households

Average household size in the Study Area is 1.72, lower than in the City of Bellevue as a whole (2.44), but higher than in Downtown Bellevue (1.56). The Study Area also has a higher percentage of one-person households (41.8%) than the City of Bellevue as a whole (27.8%), but lower than Downtown Bellevue (59.6%). The citywide estimate of household size for buildings with 5 or more units is 1.93, based on Office of Financial Management 2017 estimates.

Tenure

The Study Area has a higher percentage of renters (47.7%) than the City of Bellevue as a whole (38.6%), but lower than Downtown Bellevue (54.9%).

Income

The median household income for the Study Area is $65,493, lower than for the City of Bellevue as a whole ($92,356) and lower than Downtown Bellevue ($80,815).

Community Services in the Study Area Today

Parks, schools, police, fire, water, and sewer are community services addressed in the Public Services and Utilities section. This section will cover health and social services.

- Health Services: The northwest corner of the Study Area has a variety of hospital and health services, including Kaiser Permanente and Overlake Medical Center.
- Social Services in the Study Area include a U.S. Social Security Administration office located at 636 120th Ave NE. In addition, the nonprofit Hope Heart Institute, a charity for cardiovascular research and education, is located at 606 120th Ave NE.

CURRENT POPULATION AND DEMOGRAPHICS IN ADJACENT NEIGHBORHOODS

The Study Area is surrounded by several neighborhoods, including Wilburton to the east, BelRed to the north and northeast, Downtown to the west, and West Bellevue to the southwest. See Exhibit 3.7–3.

Subarea Region

Leland Consulting Group, in its Wilburton Area Market Analysis and Development Strategy report, identified a “subarea” region of one-half mile beyond the Wilburton Study Area, and looked at population and demographic trends in that area. See Exhibit 3.7–4 for the subarea region boundary. The subarea region includes neighborhoods with differing characteristics and demographics, including denser neighborhoods like Downtown and lower-density neighborhoods like Wilburton.

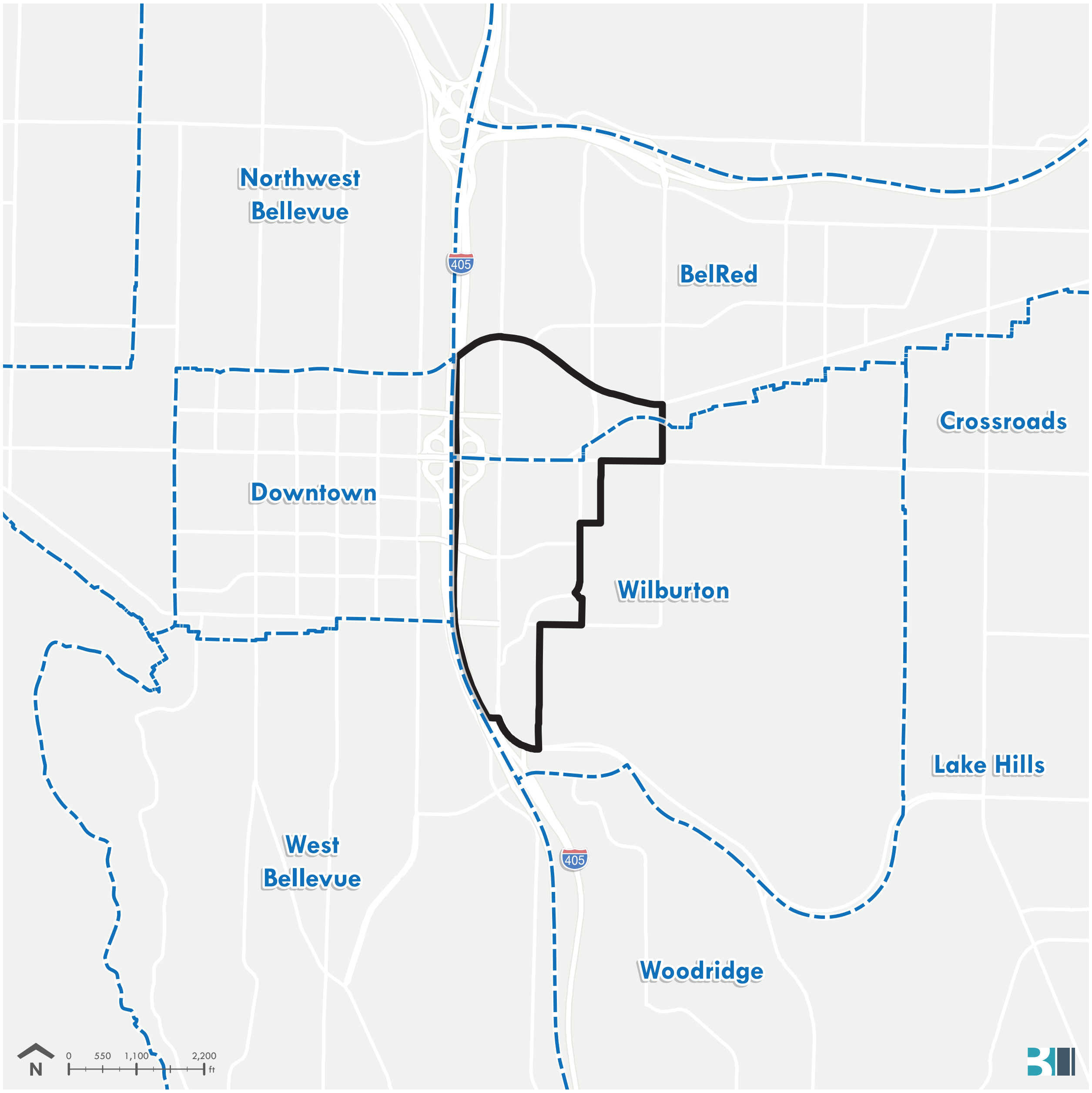

Exhibit 3.7–3 Bellevue Neighborhoods and Subareas Near Study Area

Source: City of Bellevue, BERK, 2017

Wilburton Study Area Boundary

Neighborhood Areas

There are approximately 6,722 households in the subarea region, representing about 12% of the city's population. The subarea region has a slightly larger average household size than the Study Area (1.76 persons), but has a higher percentage of one-person households (52%). It also has a higher percentage of renters (53.3%), a much higher median household income ($81,024), and a higher percentage of residents with college degrees (75.9%) than the Study Area.

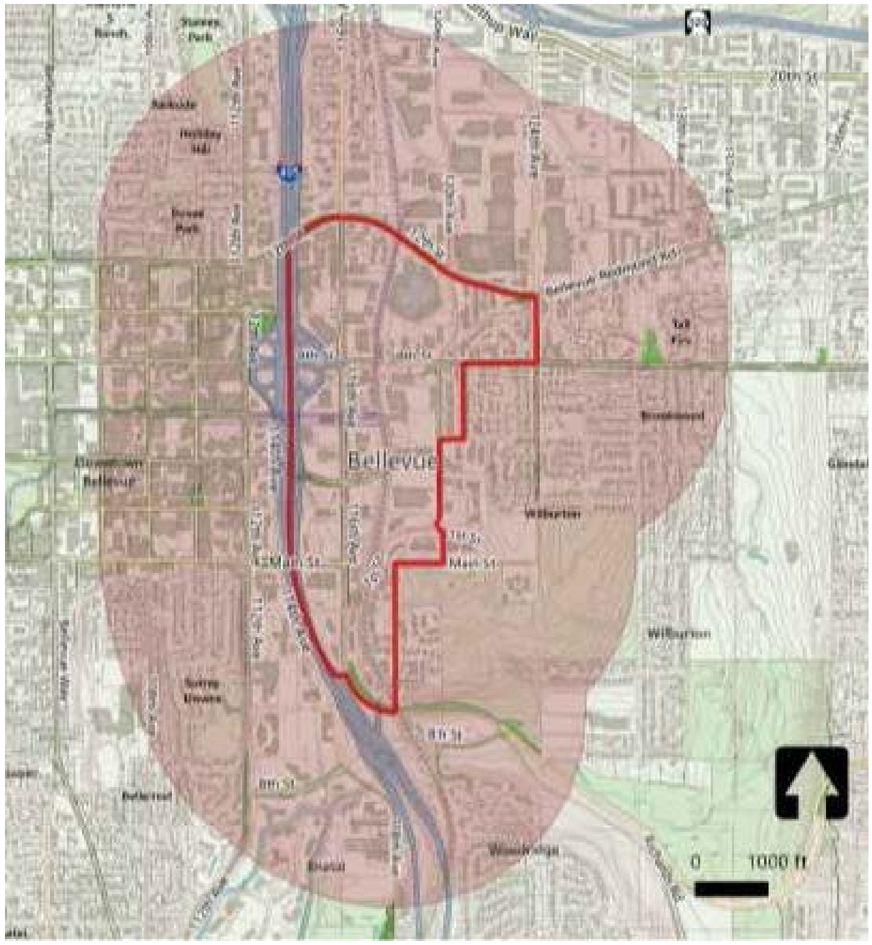

Exhibit 3.7–4 Leland-Identified Subarea and Wilburton Study Area

Source: Leland Consulting Group, 2017

The racial/ethnic make-up of the subarea region is: 50.6% white, 34.3% Asian, 3.0% Black, 2.1% some other race, 3.9% two or more races, and 0.4% American Indian. In addition, 5.8% of the population is Hispanic.

Neighboring Census Tracts

The Wilburton Existing Conditions report analyzed demographics in neighboring areas by Census Tract, using data from the U.S. Census American Community Survey 2010-2014 five-year estimate. Census tracts are shown in Exhibit 3.7–5, and include Tract 237 for the BelRed and Bridle Trails neighborhoods, 236.01 for the Wilburton residential and Woodridge neighborhoods, and 238.03 and 238.04 for Downtown Bellevue.

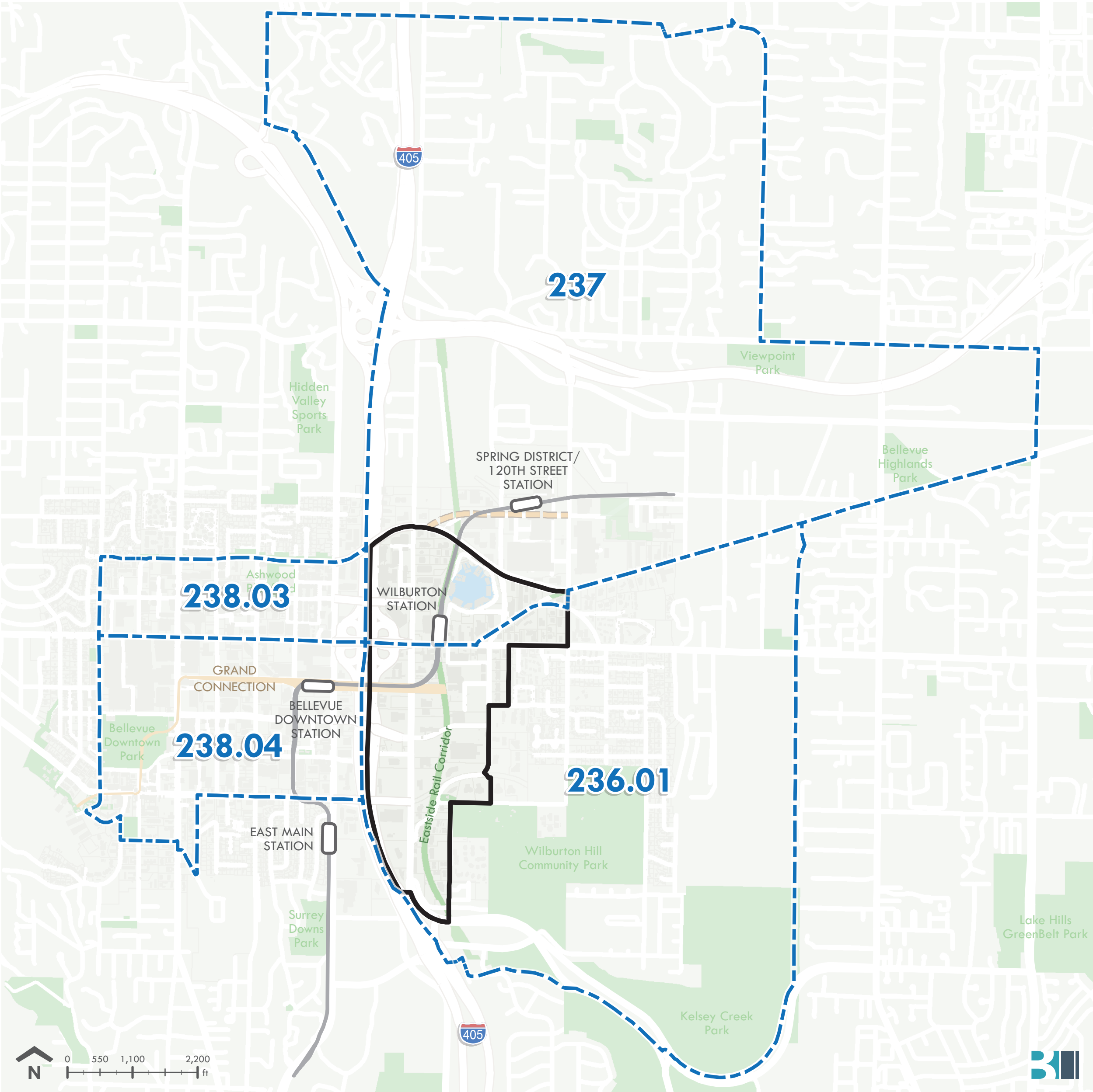

Exhibit 3.7–5 Census Tracts and Wilburton Study Area

Source: City of Bellevue, BERK, 2017

- Wilburton Study Area Boundary
- Census Tracts
- Grand Connection
- East Link Light Rail Stations
- East Link Light Rail Route
- Spring Blvd–Under Construction
- Parks & Open Space
- Buildings

Select demographic characteristics are displayed in Exhibit 3.7–6, with the two Downtown tracts combined. This data shows that Downtown tends to have a smaller average household size, with a much higher percentage of renter households, as well as a high proportion of 18-44 year-olds, and significant racial diversity (45% non-white). Tract 237, which encompasses BelRed and Bridle Trails, has a larger average household size, fewer renter households, less racial diversity, and a higher percentage of youth. Tract 236.01, which includes the Wilburton residential neighborhood and Woodridge, has the most racial diversity, and falls between Tract 237 and Downtown on household size and renter households.

Exhibit 3.7–6 Demographics by Census Tract

	TRACT 236.01	TRACT 237	DOWNTOWN
Race/Ethnicity			
White	50.6%	71.3%	55.5%
Black	3.6%	1.0%	2.5%
Asian	34.3%	19.5%	34.0%
Two or more	3.4%	4.3%	4.6%
Hispanic	7.8%	3.7%	3.3%
Median Age	39.3	38.4	34.0
Age Groups			
Under 18	19%	22%	8%
18 to 44	44%	36%	57%
45 to 64	24%	28%	19%
65 and older	13%	14%	16%
Household Income			
Under $25k	15%	11%	15%
$25k-$49,999k	20%	14%	12%
$50k-$74,999k	18%	13%	15%
$100k-$149,999k	20%	13%	22%
$150k and over	17%	34%	22%
Households			
Ave Household Size	2.16	2.39	1.64
Renter Households	45%	29%	81%

Source: City of Bellevue Wilburton Existing Conditions Report, 2017

3.7.3 IMPACTS

IMPACTS COMMON TO ALL ALTERNATIVES

For the purposes of this analysis, this section on Neighborhoods and Populations identifies significant impacts using the following thresholds:

- Insufficient capacity to relocate displaced dwellings and population
- Insufficient production of dwellings needed, including affordable units

Short-Term Impacts

Short-term impacts include incremental housing development that may increase demands for public services but also incrementally result in an increase of affordable housing. Annualizing new housing units over the 17-year period of 2018 to 2035, the number of potential new units per year would range from five under No Action to 294 under Alternative 2, and potential affordable new units per year would range from less than 1 under No Action up to 29 under Alternative 2 as shown in Exhibit 3.7–7.

Exhibit 3.7–7 Potential New Housing Units and Affordable Units, By Year

	NO ACTION ALT.	ALT. 1	ALT. 2
Potential New Residential Units by 2035	89	3,700	5,000
Potential New Units per Year	5	218	294
Range of Potential Affordable Units by 2035[1]	4	278-370	375-500
Range of Potential Affordable Units per Year	0.3	16-22	22-29

1 See Exhibit 3.7–18 on page 3.7.24
Source: BERK, 2017

The large number of potential new units by year under Alternatives 1 and 2 (218 and 294, respectively), relative to the current 246 units in the Study Area, could bring substantial incremental new demand for community services, while providing potential new ridership for the Wilburton station, scheduled to open in 2023. Alternatives 1 and 2 also have the potential to provide more affordable units per year than under No Action.

Long-Term Impacts

Under all alternatives, the population of the Study Area could grow, although by varying amounts. The amount of potential new housing units, households, and total population under each alternative is shown in Exhibit 3.7–8. Each alternative would increase opportunities for housing development in the Study Area, with No Action Alternative the least and Alternative 2 the most.

Exhibit 3.7–8 Housing Units, Households, and Population—Existing and Potential 2035 Under Each Alternative

		2035		
	EXISTING	No Action Alternative	Alternative 1	Alternative 2
Residential Units (Multifamily)	246	89	3,700	5,000
Households*	229	83	3,441	4,650
Population**	394	160	6,641	8,975
Total 2035 Population		**553**	**7,035**	**9,368**

** Assumes 93% occupancy rate (Citywide occupancy rate, ACS 2011–15).*

*** Assumes 1.93 average household size, the 2017 estimate for 5+ unit buildings in Bellevue, per Office of Financial Management custom data.*

Source: City of Bellevue, BERK, 2017

Potential Displacement and Capacity for Relocation

There is potential for the existing residential buildings in the Study Area to be torn down and replaced with larger buildings. Parcels of land with a low ratio of improvement value (the value of the buildings) compared to land value are most likely to be replaced. The City of Bellevue identified the following parcels with current housing as likely to redevelop in the next 20 years that are tenured as rentals:

- 12028 NE 8th St (Midlakes Apartments)
- 12022 NE 8th St (Brierwood Apartments)
- 145 118th Ave SE (Wilburton II Apartments)

While other properties with condominiums would be identified for redevelopment, that may take more coordinated decisions by multiple property owners prior to redevelopment occurring.

The capacity to relocate displaced residents in replacement housing would be higher under Alternatives 1 and 2, which provide much greater amounts of housing in the Study Area, and lower under the No Action Alternative.

Affordable Housing Policy

Under all Alternatives, current City policies on affordable housing would apply, including the Multifamily Housing Tax Exemption (MFTE), explained below. Under Alternatives 1 and 2, new affordable housing policies could be developed for Wilburton, such as actions included in Bellevue's new Affordable Housing Strategy, described below.

Multifamily Housing Tax Exemption

Bellevue's Multifamily Housing Tax Exemption (MFTE) provides developers in targeted areas (including most of the Study Area) with a 12-year exemption from property taxes in exchange for setting aside units for income-eligible households. Projects must meet the following requirements:

- Twenty percent of all units are affordable as follows:
  - Ten percent affordable at or below 60% of King County median income
  - An additional 10% of units affordable at or below 70% of King County median income
  - Any dwelling units 300 square feet or less must have rent affordable at or below 45% of median income.

Although no developments in Bellevue have participated in the MFTE program since it was adopted in June of 2015, other cities in the region have seen participation in MFTE. Seattle permitted 7,518 affordable units in 274 projects through its MFTE program between 1998 and 2016. (Seattle Office of Housing, 2017) Since the inception of its MFTE Program, Tacoma has approved 116 projects with 3,342 units. (Ruud, 2016) The City of Kirkland has approved 21 affordable units through the program since 2004. (King County Growth Management Planning Council, 2015) Redmond is considering adding this program. (City of Redmond, 2017d)

The Bellevue City Council adopted an Affordable Housing Strategy in June of 2017. This Strategy recommends updating the MFTE program to increase participation by developers while maximizing public benefit (Action C-3). Potential changes to the MFTE program were presented and discussed at the November 13, 2017 Bellevue City Council Study Session, including changing program requirements for Downtown Bellevue, investigating methods to encourage construction of two-bedroom units, using different affordability requirements for different sized units, and additional marketing of the program to developers. As of this Draft EIS, City staff are further researching potential changes to the program, and in February of 2018 the City Council is expected to update the MFTE program for Downtown Bellevue.

The Affordable Housing Strategy estimates new affordable units produced over a 10-year timeframe due to a revised MFTE program to be between 360 and 650 citywide. (City of Bellevue, 2017a) This would be about seven to 12% of the City's remaining growth target (720 to 1,300 of 10,922 units for the years 2018 to 2035).[1]

Based on the lack of MFTE history as well as the new Affordable Housing Strategy, estimates are made below for a range of one to ten percent of potential new units participating in MFTE, at 70% or less AMI. The number of potential new affordable MFTE units produced under each Alternative, at each percentage, is shown in Exhibit 3.7–9.

Exhibit 3.7–9 Potential New Affordable MFTE Units at One, Five, and Ten Percent of New Units

	NO ACTION ALT.	ALT. 1	ALT. 2
Potential New Residential Units	89	3,700	5,000
One Percent	1	37	50
Five Percent	4	185	250
Ten Percent	9	370	500

Source: BERK, 2017

The evaluation of each alternative below estimates the number of new MFTE income-restricted units as a percentage of potential new housing units. It's important to also consider that MFTE income restrictions last only 12 years, and thus some units could expire out of the program during this period, depending on when they are built.

1 *The City's 2012-2035 housing growth target was 15,800. Between 2012 and 2017, the City has added 4,878 dwellings citywide. The remaining target is 10,922 dwelling units for the period 2018-2035.*

Potential Incentive Zoning Program

Under Alternatives 1 and 2, the City of Bellevue could implement an incentive zoning program in the Study Area, similar to the program operating in BelRed, described below. Creation of an incentive zoning program is recommended in the Bellevue Affordable Housing Strategy, under Action C-4.

Development regulations for BelRed create base and maximum density levels (expressed through "floor area ratio" or FAR). Maximum density must be earned by providing amenities, either included in the project or paid as a fee-in-lieu. Amenities include affordable housing, as well as parks, public art, and other public amenities. The affordable housing bonus is as follows:

- **Rental:** For every square foot of affordable rental housing provided at 80% of AMI, 4.6 square feet of bonus building area is allowed.
- **Owner:** For each square foot of ownership housing affordable at 100% AMI, 7.2 square feet of bonus building area is allowed.

Bellevue Municipal Code 20.25D.090

Since the BelRed incentive program was created in 2009, 89 affordable units have been created, in addition to over $900,000 in fees to the City's housing fund. (City of Bellevue, 2017a) This equals approximately 5% of the approximately 1,700 total housing units built in BelRed in that timeframe. (City of Bellevue, 2016a)

Production of affordable units under a similar incentive zoning program could be lower in the Study Area due to different conditions and current land uses. The number of potential affordable units under each alternative at 2.5% and 5% of new units is shown in Exhibit 3.7–10.

Exhibit 3.7–10 Potential Affordable New Units Under an Incentive Zoning Program

	NO ACTION ALT.	ALT. 1	ALT. 2
Potential New Residential Units	89	3,700	5,000
2.5% of Units Affordable	2	93	125
5% of Units Affordable	4	185	250

Source: BERK, 2017

Citywide Voluntary Affordable Housing Bonus

In 1996 Bellevue adopted a housing density bonus for affordable housing that can be used citywide. The program provides one bonus market-rate residential unit for each affordable unit provided, up to 15% above the zoning district's maximum density. Projects with affordable units can also earn increased lot coverage and reduced parking and open space requirements as additional incentives. Units must be affordable to residents earning less than 80% of area median income.

Since its creation twenty years ago, the voluntary affordable housing incentive has been used in two multifamily projects, with a total of 19 affordable units created, or an average of about one per year. Because of the low number of units produced citywide to date, the number of potential new affordable units created in Wilburton under this incentive is assumed to be de minimis

Other Affordable Housing Strategy Potential Programs

Another action recommended under the Affordable Housing Strategy is to encourage micro-apartments around light rail stations through actions such as reduced parking requirements (Action B-1). The Strategy estimates this could create 100-200 units citywide affordable at 60-80% AMI. This action could lead to additional affordable units in the Study Area under Alternatives 1 and 2.

Community Services

All alternatives maintain the same zoning for the medical district. Alternatives 1 and 2 would add more medical institution square footage, and would also have greater population and thus may create more demand for medical and social services.

Grand Connection

All options for the Grand Connection under Alternatives 1 and 2 would add public space and connectivity amenities that would be available to future residents. The Grand Connection options would also improve access to Downtown public spaces from the Study Area.

Public Space

Options for more public space under Alternatives 1 and 2 would add amenities available for future residents and would help meet City goals of providing parks to meet the needs of future residents.

PERFORMANCE MEASURES EVALUATION

As described in the Introduction, there are three performance standards for Neighborhoods and Housing, shown in Exhibit 3.7–11 along with a summary of how each alternative performs. Following the Exhibit is an explanation of each standard.

Exhibit 3.7–11 Evaluation Framework: Comparison of Alternatives–Neighborhoods and Population

PERFORMANCE MEASURE	NO ACTION ALTERNATIVE	ALTERNATIVE 1	ALTERNATIVE 2
Capacity for housing and densities that support the light rail station	▼	▲	▲
Housing quantity, diversity in housing forms and affordability			
Quantity	▼	▲	▲
Diversity	●	▲	▲
Affordability	●	▲	▲
Number of affordable units incentivized	▼	●	▲

▲ *Strong Emphasis* ● *Moderate Emphasis* ▼ *Weak Emphasis*

Capacity for Housing and Densities that Support the Light Rail Station

Performance Measure

More housing density near the Wilburton light rail station puts more people within walking distance of the station and is likely to lead to higher rail ridership as well as better access to employment centers and services that do not require the use of a personal automobile.

Standards for housing density near transit are often expressed in the number of housing units per acre allowed or desired within a quarter-mile of the station. Examples include:

- The Federal Transit Administration's "Planning for Transit-Supportive Development" report recommends a minimum of **35 dwelling units per acre** in urban core areas. (Federal Transit Administration, 2014)
- The Puget Sound Regional Council requires that designated Regional Growth Centers allow **45 activity units** (housing units or jobs) per acre. While Wilburton Commercial Area is not a Regional Growth Center, this criterion is a guide to providing for multiple modes including transit. (Puget Sound Regional Council, 2014)

Exhibit 3.7–12 Current and Future Density—2035

SCENARIO	APPROXIMATE ACRES IN HOUSING USE	TOTAL DWELLINGS	DENSITY (DWELLING UNITS/ACRE)	COMPARISON TO FTA MINIMUM DENSITY OF 35
Existing	12.08	246	20	Below
No Action Alt.	19.09	335	18	Below
Alternative 1	40.18	3,946	98	Exceeds
Alternative 2	47.56	5,246	110	Exceeds

Source: City of Bellevue GIS, 2017; BERK, 2017

Alternatives 1 and 2 would exceed the minimum density for transit-supportive development whereas No Action Alternative would not meet it.

Exhibit 3.7–13 Population and Job Units—2035

SCENARIO	POPULATION	JOBS	TOTAL ACTIVITY UNITS	ACTIVITY UNITS/ACRE	RELATIONSHIP TO TARGET 45 ACTIVITY UNITS/ACRE
Existing	394	10,366	10,760	45	Meets
No Action Alt.	553	12,055	12,608	53	Exceeds
Alternative 1	7,035	28,102	35,137	148	Exceeds
Alternative 2	9,368	34,356	43,724	184	Exceeds

Source: BERK, 2017

Given the large number of current jobs, the No Action Alternative would meet the minimum PSRC activity units for designated regional centers. Alternatives 1 and 2 would increase both resident and job populations and exceed the PSRC recommended activity units for regional growth centers.

The Wilburton Station is shown with a quarter-mile radius in Exhibit 3.7–14.

The 2035 growth mix would add housing in proximity to the Wilburton station under both Alternatives 1 and 2, and limited housing in proximity to the other three light rail stations that interact with the Study Area. See Exhibit 3.7–15 and Exhibit 3.7–16 for 2035 land use distribution under Alternatives 1 and 2, respectively, along with quarter-mile radii of each station. Alternative 2 would have more housing locations within one-quarter mile of the Wilburton Station than Alternative 1.

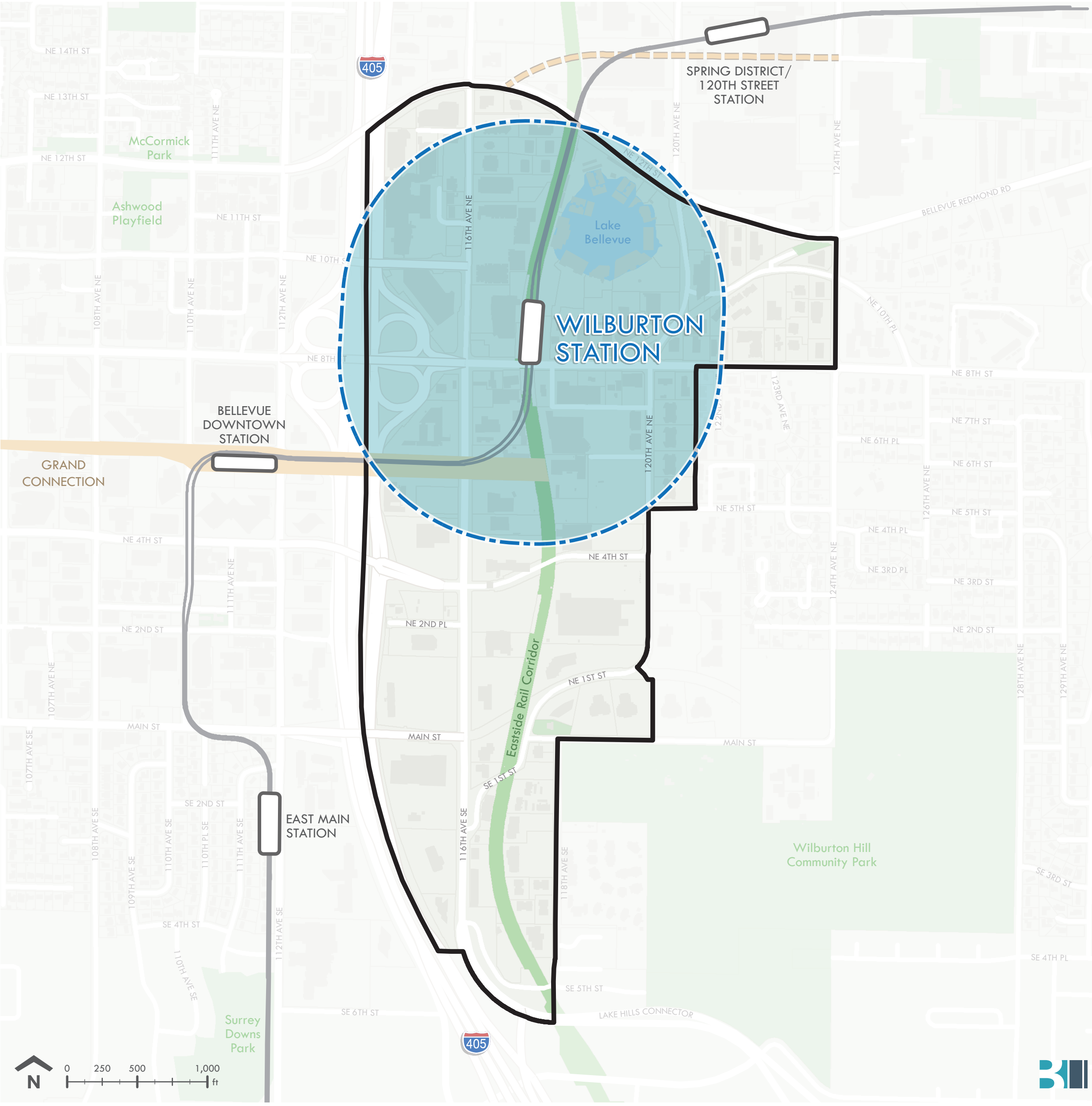

Exhibit 3.7–14 Wilburton Station with One-Quarter Mile Circle

Source: BERK, 2017

- Wilburton Study Area Boundary
- Quarter Mile Area
- Grand Connection
- East Link Light Rail Stations
- East Link Light Rail Route
- Spring Blvd–Under Construction
- Parks & Open Space
- Buildings

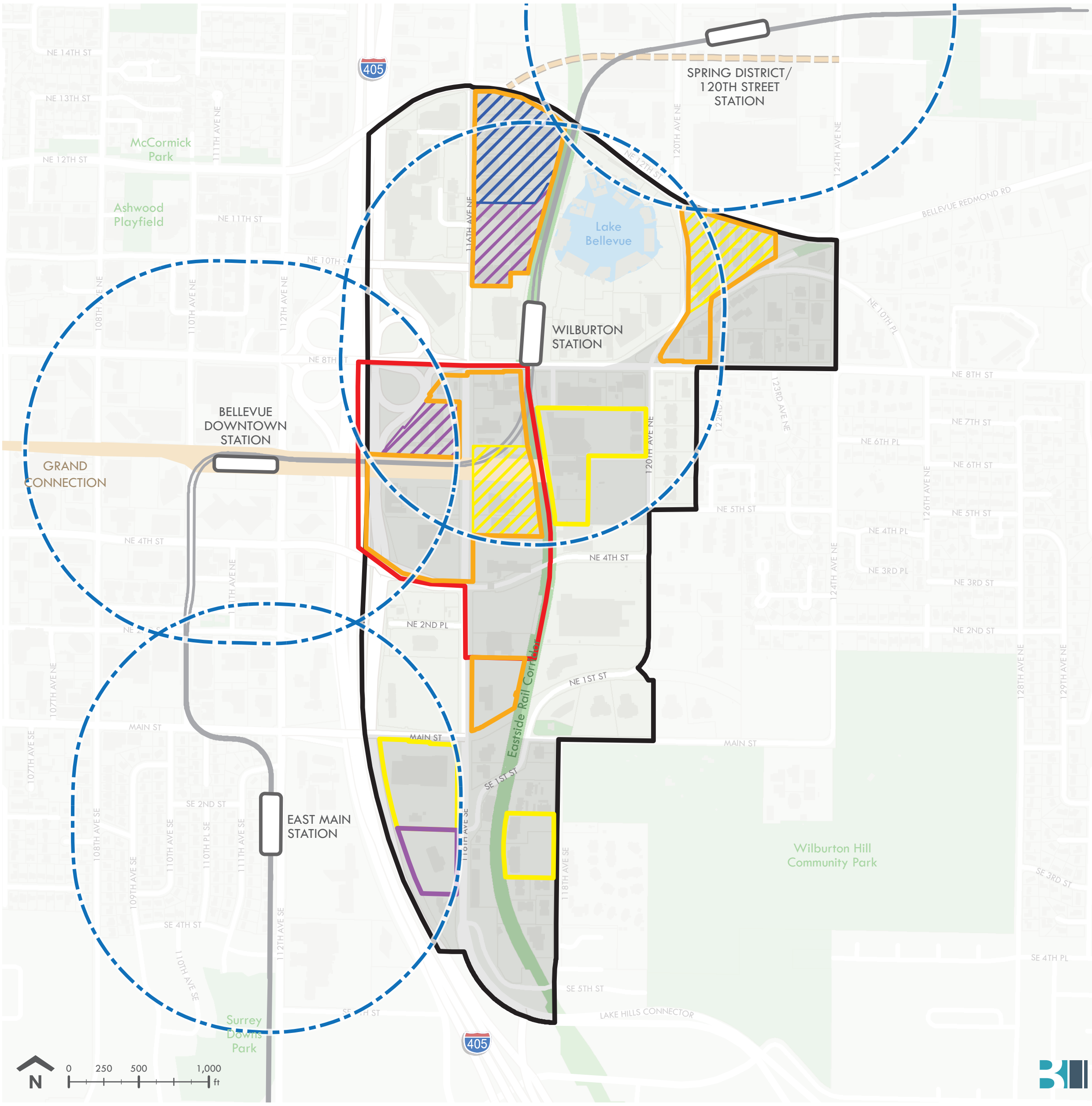

Exhibit 3.7–15 Light Rail Stations with Quarter-Mile Circles—Alternative 1 Land Use Distribution, 2035

Source: City of Bellevue, BERK, 2017

Wilburton Study Area Boundary
Grand Connection
East Link Light Rail Stations
East Link Light Rail Route
Spring Blvd–Under Construction
Parks & Open Space
Buildings
Potential 2035 Growth Focus
Quarter Mile Station Areas

Land Use

Retail
Office
Residential
Hotel
Institutional
Secondary Use

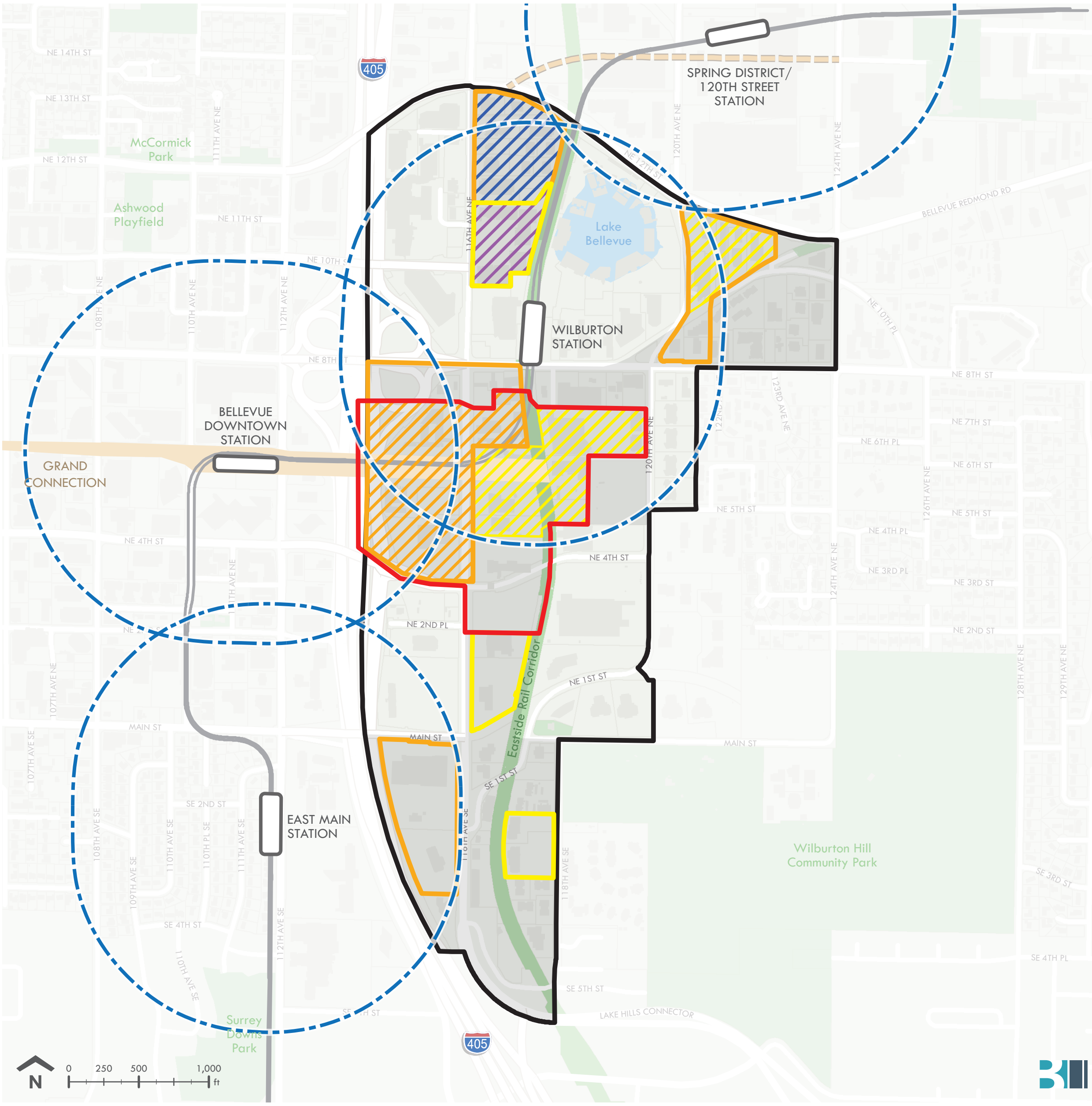

Exhibit 3.7–16 Light Rail Stations with Quarter-Mile Circles—Alternative 2 Land Use Distribution, 2035

Source: City of Bellevue, BERK, 2017

- Wilburton Study Area Boundary
- Grand Connection
- East Link Light Rail Stations
- East Link Light Rail Route
- Spring Blvd–Under Construction
- Parks & Open Space
- Buildings
- Potential 2035 Growth Focus
- Quarter Mile Station Areas

Land Use

- Retail
- Office
- Residential
- Hotel
- Institutional
- Secondary Use

To summarize how this measure performs under the alternatives:

- All alternatives meet and exceed PSRC Regional Growth Center activity units.
- Alternatives 1 and 2 provide far more housing to support the light rail station than the No Action Alternative, and both action alternatives exceed transit supportive density of 35 units per acre recommended by the Federal Transit Agency. The No Action Alternative does not meet the minimum transit oriented density.
- Much of the new housing under Alternatives 1 and 2 would fall within one-quarter mile of the Wilburton light rail station, and some could fall within one-quarter mile of other light rail stations in the area, notably the East Main station under Alternative 1.

Performance Measure

Housing Quantity, Diversity in Housing Forms and Affordability

This measure refers to several issues:

- **Housing quantity:** total number of housing units. Each of the Alternatives is evaluated based on the potential number of total housing units in 2035. The No Action Alternative would have the least and Alternative 2 the most. Alternatives 1 and 2 would achieve housing levels in the range estimated through market studies addressing the 20-year period.

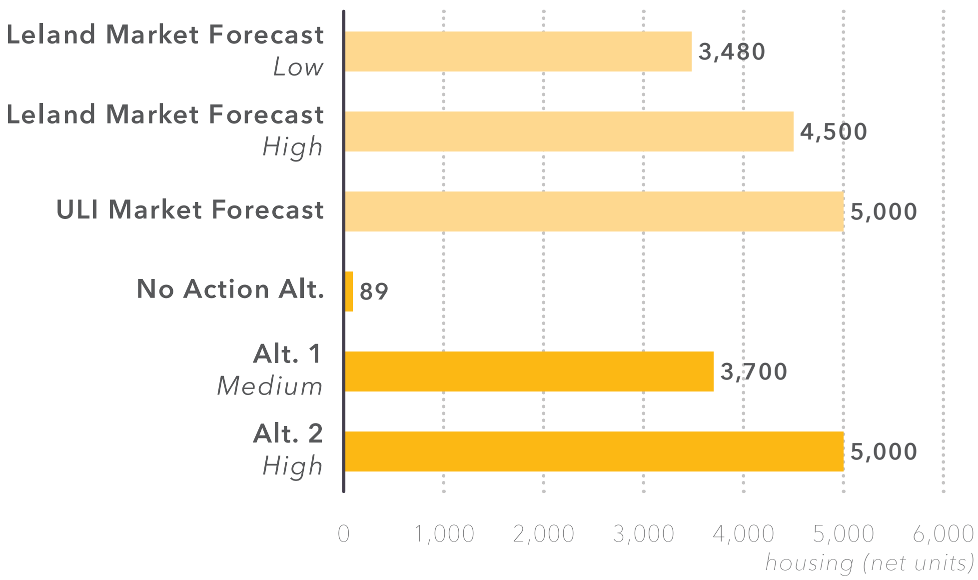

Exhibit 3.7–17 Housing Units by Alternative

Source: Leland Consulting Group, March 2017; BERK, 2017

- **Diversity in housing forms:** attached ownership and rental, and how new housing in the Study Area would change the diversity of housing forms in the broader area. Currently the Wilburton residential neighborhood to the east is primarily single-family with limited multi-family forming the western edge of the neighborhood, while downtown Bellevue is largely attached housing. All alternatives, but especially Alternatives 1 and 2, would add more attached housing options to the area, adding housing diversity to the area east of I-405 at a lower intensity than Downtown but significantly more than allowed in Wilburton today. New attached housing would likely include both rental and owner options. Leland Consulting Group estimated that demand for housing in the Study Area over the next 20 years would include between 2,120 and 2,760 rental apartment units and between 1,360 and 1,740 attached ownership units (condo, townhome, etc.).
- **Diversity in Affordability:** homes available that are affordable to households with a wide variety of incomes. A percentage of new housing units are expected to be affordable at 70% and below or 80% of the Area Median Income, due to policies and programs (see discussion above). The higher the number of housing units (Alternatives 1 and 2), the greater the potential for density bonuses, the larger the potential sites that are eligible for tax incentives, and therefore a greater potential for numbers of affordable units. Leland Consulting estimated demand for housing in the larger market area by household income, and found that new households would likely have the same distribution among income brackets as current households. There could be a similar range in demand for housing among household incomes in the Study Area, with approximately 46% at $100,000 or above.

To summarize how this measure performs under the alternatives:

- Quantity: Alternatives 1 and 2 provide more housing units, with Alternative 2 providing the most.
- Diversity of housing forms: Alternatives 1 and 2 create more development formats represented by proposed transects.
- Diversity in affordability: Under all Alternatives, new attached housing would be built in the Study Area, diversifying the housing stock in the broader region. Far more attached housing would be built under Alternatives 1 and 2.

Performance Measure

Number of Affordable Units Incentivized

This measure refers to the number of affordable units, at various percentages of median income, likely to be incentivized under each Alternative. The incentive would come through current or proposed City of Bellevue affordable housing policies, including the current MFTE program and a new Floor-Area Ratio incentive program under alternatives 1 and 2 (both described above). A summary of estimated potential units incentivized under each alternative is shown in Exhibit 3.7–18.

Exhibit 3.7–18 New Affordable Units Incentivized by 2035, by Alternative

	NO ACTION ALT.	ALT. 1	ALT. 2
New Residential Units	89	3,700	5,000
Potential New MFTE Units (assuming 5% participation)	4	185	250
Potential New FAR Incentive Units, 80% AMI (assuming 2.5% participation)	0	93	125
Potential New FAR Incentive Units, 80% AMI (assuming 5% participation)	0	185	250
Range of Total Potential New Affordable Units	**4**	**278-370**	**375-500**

Note: The citywide voluntary affordable housing bonus program, described earlier, is not included in this analysis as the number of potential new units created in Wilburton under the program are assumed to be de minimis.

Source: BERK, 2017

To summarize how this measure performs under the alternatives:

- As shown in Exhibit 3.7–18, the number of potential new affordable housing units incentivized by 2035 would be highest under Alternative 2 (375-500 units), less under Alternative 1 (278-370) and much less under No Action Alternative (4).

Each Alternative is explored in detail below.

IMPACTS OF THE NO ACTION ALTERNATIVE

Under the No Action Alternative, there would be capacity for 85,440 net new square feet of housing, or approximately 89 units, for a total of 335,440 square feet of housing, or approximately 319 housing units. There would be no policy changes, and current affordable housing policies such as MFTE and the transportation impact fee exemption for affordable housing would apply.

As described above under the Performance Standards Evaluation, there will be approximately 19 acres of residentially-used land in the Study Area in 2035 with approximately 335 housing units, for a density of 18 dwelling units per acre, lower than the FTA target density of 35 units per acre. Some of this residentially-zoned land is located within a quarter-mile of the Wilburton transit station, including areas north and east of Lake Bellevue (BelRed Commercial Residential), and areas east of 120th Ave NE and south of NE Bellevue Redmond Rd (R-20 and R-30 zoning). However, large swathes of the land nearest the station are zoned General Commercial and not available for housing. See Exhibit 2–12 No Action Alternative Zoning Map.

The least new housing would be produced under the No Action Alternative, an estimated 89 new units in the 20-year planning horizon.

The addition of 89 new attached housing units (apartment or condo) would slightly increase the diversity of the housing stock in the larger area, as the Wilburton residential neighborhood is largely single-family.

Projected participation in MFTE under the No Action Alternative may equal four new units (5% of 89 total new housing units), less than under Alternatives 1 and 2.

Zoning for the Medical Institution District would be maintained. There is a lower potential for displacement of existing residents under No Action Alternative, with lower building intensities allowed. There is also lower capacity for relocation of any displaced residents, with less housing available in the Study Area.

IMPACTS OF ALTERNATIVE 1

As noted under the Impacts Common to All Alternatives section, Alternative 1 would see a higher number of new housing units, many of which would be located within one-quarter mile of the Wilburton station (see Exhibit 3.7–15 above).

There would be 3,700 new housing units, provided in a diversity of condo and apartment forms, adding diversity to the regional housing stock. The number of potential new affordable housing units would be 370, of which 185 would come through the MFTE program and 185 through incentivize zoning (assuming 5% of total units for each program).

It's also possible that new development could include new health and social services. Zoning for the medical district would be maintained, and more medical institution square footage would be allowed under Alternative 1. Greater housing and population could increase demand for medical and social services.

The Wilburton-Grand Connection initiative and Open Space options would provide amenity value for current and new residents of the Study Area and nearby neighborhoods.

There is more potential for displacement of existing residents under Alternative 1 than No Action, but higher capacity for relocation of displaced residents, with more housing units in the Study Area. Existing dwellings are often more affordable than newer units added without policies or incentive programs that encourage affordability. The three apartment buildings in the Study Area with potential for redevelopment and displacement, described in the Affected Environment section above, contain a total of 58 units. Information on rents and affordability at all three buildings was not available at the time of this writing, with the exception of Midlakes Apartments, whose website lists two-bedroom apartments available at $1,700 per month, a below-market rate.

The number of potential affordable units under MFTE and incentive zoning under Alternative 1 is up to 370, as shown in Exhibit 3.7–18, higher than the number of potential displaced units, 58. Further, Alternative 1 would include affordable housing strategies.

IMPACTS OF ALTERNATIVE 2

Alternative 2 includes capacity for 5,000 new housing units, for a total population of 9,371. Policies would be the same as under Alternative 1.

Many of the new housing units would be located within one-quarter mile of the Wilburton station and likely more than Alternative 1 (see Exhibit 3.7–16 above).

New housing would be attached units, including both ownership and rental options, adding diversity to the regional housing stock. The number of potential new affordable housing units would be 500, of which 250 would come through the MFTE program and 250 through incentivize zoning (assuming 5% of total units for each program).

Health and social services in the Study Area could change under Alternative 1. Medical offices in the northwest corner of the Study Area (east of 116th Avenue NE) could be redeveloped for other uses, decreasing the medical care options for the regional population. It's also possible that new development could include new housing and social services.

The Grand Connection initiative and Open Space options would provide amenity value for current and new residents of the Study Area and nearby neighborhoods.

Similar to Alternative 1, there is potential for displacement of existing residents, but higher capacity for relocation of displaced residents, with more housing units in the Study Area. Existing dwellings are often more affordable than newer units added without policies or incentive programs that encourage affordability. The number of potential displaced households is up to 58, and the number of affordable units under MFTE and incentive zoning is up to 500, as shown in Exhibit 3.7–18.

3.7.4 MITIGATION MEASURES

All alternatives could see some risk of displacement of existing residents; this risk would be higher under Alternatives 1 and 2 but so would the capacity for relocation in new housing units. Alternatives 1 and 2 would have a higher number of housing units to support transit, and a likely higher number of affordable units produced through MFTE or incentive programs.

INCORPORATED PLAN FEATURES

New policies on affordable housing under Alternatives 1 and 2 may include an incentive zoning program similar to BelRed or Eastgate or reducing parking requirements for micro-apartments around light rail stations (Action B-1 under Bellevue's Affordable Housing Strategy). Such policies would help provide more affordable housing in the Study Area. In addition, the City of Bellevue's Affordable Housing Strategy recommends making adjustments to the MFTE affordable housing program to encourage developer participation, which could increase affordable housing produced under MFTE. It is anticipated that the adjustments to the MFTE program would be implemented under Alternatives 1 and 2. In addition, under Alternatives 1 and 2 the City may expand MFTE-eligible areas to include the full Study Area.

REGULATIONS AND COMMITMENTS

Affordability issues may occur as the Study Area redevelops. Current City of Bellevue programs that provide mitigation for affordability issues include the following based on the situation assessment included in the City of Bellevue's Affordable Housing Strategy:

- MFTE program.
- General Fund contributions to the Housing Trust Fund, used to construct and preserve affordable housing. This Fund could be used to preserve affordable units at risk of displacement in the Study Area, identified in the Impacts section above.
- Transportation Impact Fee exemption for new low- and moderate-income housing.
- Affordable housing density bonus: Bellevue allows one bonus market-rate unit for each affordable unit provided, up to 15% above maximum density.
- Incentives for small units for seniors.

OTHER PROPOSED MITIGATION MEASURES

- The City could implement the range of measures recommended in the City of Bellevue's Affordable Housing Strategy, such as Action B-1 to reduce parking requirements for micro-apartments located near light rail stations, partnering with non-profit organizations; promoting energy efficiency in design and construction of affordable units (Action A-5); promoting utility rate and tax relief programs (Action A-6); tapping additional local sources to dedicate more funding to affordable housing (Action E-1); pursuing funding partnerships (Action E-2); and advocating for legislative actions that expand state and local funding tools (Action E-3).

3.7.5 SIGNIFICANT UNAVOIDABLE ADVERSE IMPACTS

Under all alternatives, displacement of existing residents in the Study Area is possible as land is redeveloped, and general housing affordability is likely to be a concern throughout Bellevue. As population continues to grow in the Puget Sound region, economic forces will place additional pressure on housing markets, increasing demand for housing affordable to a range of income levels. This is true regardless of which of the three alternatives is realized; however, Alternatives 1 and 2 would increase substantially the capacity for housing that could better meet demand. Increasing affordable housing programs and incentives for providing units affordable to diverse income groups and to investment in affordable housing development would partially offset affordability pressures, as would other actions in the Affordable Housing Strategy, such as funding for affordable housing production.

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