

CITY COUNCIL AGENDA TOPIC

Fall 2023 Housing Trust Fund Allocation Recommendations by ARCH Executive Board

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EXECUTIVE SUMMARY

The ARCH Executive Board is requesting to apply \$1,379,200 of available Bellevue funding to five recommended projects as part of the Fall 2023 Housing Trust Fund round. The recommended Bellevue funding would be applied to:

DIRECTION

- \$224,100 for Spring District TOD (Bellevue);
- \$86,200 for Larus Senior Housing (Kenmore);
- \$206,900 for Aventine Apartments (Bellevue);
- \$172,300 for Emma McRedmond Manor (Redmond); and
- \$689,700 for Overlake TOD (Redmond).

RECOMMENDATION

Direct staff to prepare legislation to authorize application of Bellevue funding of \$1,379,200 for the Fall 2023 ARCH Housing Trust Fund round of five recommended projects for future Council action.

BACKGROUND/ANALYSIS

The Fall 2023 Housing Trust Fund round included seven applications, five of which are recommended for funding by the ARCH Executive Board. The five recommended projects represent \$4 million in local funds from ARCH members and an additional \$2.1 million from the City of Redmond. Recommended projects will provide 690 units of affordable housing.

The ARCH Executive Board recommendations are described in Attachment A, including project descriptions and funding rationale. Attachment B provides economic summaries for the recommended projects.

The recommended projects will meet diverse needs throughout the Eastside, including:

- Supportive housing for formerly homeless seniors, veterans, and people with disabilities;
- Preservation of existing affordable housing for large families;
- Affordable senior independent living;
- Transit-oriented development for families and individuals adjacent to future light rail; and
- Affordable housing for individuals with intellectual and developmental disabilities.

Bellevue's requested funding of \$1,379,200 for 2023 is equal to 22.6 percent of the total funds recommended through the Fall 2023 Trust Fund process. If approved by Council, funding for these projects would come from the City's Housing Fund, unused contributions carried forward from the 2022 funding round, and loan repayments by previously funded projects. It does not include BelRed developer fees, Housing Stability Program (HSP) monies, or capital investment program (CIP) contingency funds.

ARCH includes 15 Eastside cities who utilize the ARCH Trust Fund process to develop recommendations for the allocation of housing resources. This approach has allowed funds from multiple cities to be pooled and made available to projects across East King County with the goal of maximizing the creation of affordable housing overall and in each city.

The ARCH Community Advisory Board (CAB) reviews applications each year and forwards its funding recommendations to the ARCH Executive Board. The CAB and Executive Board's review and recommendations reflect the policies and lending criteria adopted by the ARCH Executive Board and member city councils.

POLICY & FISCAL IMPACTS

Policy Impact

ARCH Trust Fund allocations further the work in Bellevue to implement the 2017 Affordable Housing Strategy. The recommendations recognize the urgent need in the City to increase investments in the production and preservation of affordable housing.

Fiscal Impact

The ARCH Housing Trust Fund was established in 2010 for the purpose of administering the contributions of parties through the ARCH Interlocal Agreement to provide affordable housing in East King County. The ARCH Executive Board is requesting to apply \$1,379,200 of Bellevue funding to five recommended projects. If approved by Council, the funds would be allocated to these projects from the City's \$1,488,017 available balance within the ARCH Housing Trust Fund (Fund 6950). Bellevue's contributions come from the following sources:

- \$214,657 unused contributions from the 2022 Funding Round and carried forward;
- \$1,200,000 from the City's Housing Fund (Fund 1900) contributed to the ARCH Trust Fund in 2023; and
- \$73,360 in loan repayments received in 2023.

OPTIONS

1. Direct staff to prepare legislation to approve Bellevue funding of \$1,379,200 for the Fall 2023 ARCH Housing Trust Fund round of five recommended projects for future Council action.
2. Provide alternative direction to staff.

ATTACHMENTS

- A. ARCH Executive Board 2023 ARCH Trust Fund Recommendations dated December 14, 2023
- B. Economic Summaries of Recommended Projects

AVAILABLE IN COUNCIL LIBRARY

N/A