

CITY COUNCIL AGENDA TOPIC

Resolution authorizing the City of Bellevue to administer certain housing project agreements on behalf of consenting members of A Regional Coalition for Housing (ARCH), consistent with the ARCH Amended and Restated Interlocal Agreement.

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A Regional Coalition for Housing (ARCH)

EXECUTIVE SUMMARY**ACTION**

The ARCH Interlocal Agreement authorizes the Executive Board to permit Bellevue, as the Administering Agency, to manage certain housing project agreements executed by ARCH individual members that predate the interlocal agreement, subject to the consent of Bellevue and the other ARCH members.

Under this authority, and at the request of several ARCH members, the Executive Board adopted Resolution 25-01, authorizing Bellevue to administer these pre-existing agreements.

The proposed Resolution would authorize the City Manager, or designee, to execute a written consent to administer the housing project agreements that predate the ARCH interlocal. Bellevue will only manage those agreements specifically identified by the Executive Board and approved by the individual ARCH members, in compliance with the Interlocal, Resolution No. 25-01, and the terms of each agreement.

RECOMMENDATION

Move to adopt Resolution No. 10575

BACKGROUND/ANALYSIS

ARCH was created in 1992 as an intergovernmental partnership between Bellevue, Kirkland, Redmond, and King County to advance shared affordable housing goals, including the financing of affordable housing projects. Today, the partnership has grown to include King County and 14 Eastside cities and towns.

Before 2010, individual member cities and towns performed certain administrative functions related to ARCH housing project agreements, which govern the award of Housing Trust Funds (HTF). These administrative functions included, but were not limited to, drafting, reviewing, and approving housing financing agreements and any amendments thereto.

Following execution of the Amended and Restated Interlocal Agreement (ILA) in 2010, Bellevue assumed the role of the ARCH Administering Agency, providing centralized oversight and management

of new contracts on behalf of all member cities and towns. Since then, Bellevue, in partnership with ARCH staff, has negotiated, reviewed, and executed all contracts and any amendments related to HTF awards.

Assigning post-2010 financing agreements to Bellevue while leaving pre-2010 agreements with individual ARCH member cities has resulted in a fragmented administrative structure. This fragmentation persists despite a shared funding mechanism and the centralized role of ARCH staff, which oversee day-to-day monitoring of all agreements, maintain relationships with housing project owners/operators, and work closely with the Administering Agency.

From time-to-time, ARCH supported housing projects seek to refinance existing loans, secure additional funding for improvements, convey property to develop public amenities, and transfer ownership of the project, triggering the need for amendments to the underlying financing documents.

With respect to housing project agreements that predate the amended and restated ILA, this has resulted in certain inefficiencies and increased burdens to ARCH staff, which is required to develop multiple versions of the same amending instruments, educate the several ARCH jurisdictions that contributed funding to the project regarding the need for the amending instrument, and coordinate all necessary approvals needed for the amending instruments – often under compressed timelines.

To streamline administration of project financing documents executed before the amended and restated ILA, ARCH members have requested, and the Executive Board approved, that Bellevue, as the Administering Agency, assume the administrative responsibility for these “legacy” agreements. In total, there are 63 projects financed by ARCH members prior to the amended and restated ILA, most with 40- to 55-year terms, creating long term monitoring obligations. Attachment A lists the several agreements the Executive Board has asked Bellevue to administer on behalf of the other ARCH members.

Once Bellevue and individual ARCH members adopt consenting resolutions, consolidating administrative functions for pre-2010 housing project agreements will:

- Simplify processes by centralizing administrative functions under Bellevue, consistent with current ARCH practices.
- Streamline contract management for pre-2010 agreements.
- Reduce staff time for member cities by eliminating routine administrative task.
- Reduce ARCH staff time, avoiding the need to coordinate multiple approvals of the same document.
- Ensure consistency in how contracts are managed across ARCH.

The authority delegated to Bellevue, in its role as the Administering Agency, includes negotiating and executing assignments, subordination agreements, and partial releases of security instruments. However, Bellevue’s authority is limited to administration of the agreements consistent with the amended and restated ILA; and it will not assume legislative or administrative powers reserved to the individual member jurisdictions under the ILA or other applicable law, including approving increased funding awards, negotiating or conveying real property interests, or administering agreements negotiated, funded, and monitored without ARCH involvement.

POLICY & FISCAL IMPACTS

Policy Impact

Accepting the delegation of duties as Administrative Agency does not change the City's duties performed under the ARCH Interlocal Agreement or previously accepted by the City. ARCH staff currently perform a large portion of the staff work to monitor and administer existing HTF agreements regardless of the contract's effective date occurring before or after the 2010 ILA Amendment, including working with each member city who has a separate ARCH housing project agreement. Bellevue's acceptance of the delegation of pre-2010 ARCH housing project agreements will create efficiency for ARCH staff and consistency for the affordable housing owners.

Fiscal Impact

The Resolution does not result in any fiscal impacts to the City. ARCH's Housing Trust Fund recommendations will be brought back to Council under a separate agenda topic.

OPTIONS

1. Adopt the Resolution authorizing the City of Bellevue to administer certain housing project agreements on behalf of consenting members of A Regional Coalition for Housing (ARCH), consistent with the ARCH Amended and Restated Interlocal Agreement.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

- A. ARCH Resolution 25-01
- B. Consent and Agreement
Proposed Resolution No. 10575

AVAILABLE IN COUNCIL LIBRARY

N/A