

**CITY COUNCIL AGENDA TOPIC**

Resolution authorizing execution of a grant agreement with the Washington State Department of Commerce to accept up to \$1,000,000 of Connecting Housing to Infrastructure Program (CHIP) grant funding to reimburse the construction of utility infrastructure improvements and regional capital facility charges for the Terrapin Bellevue project.

Scott Edwards, Deputy Director, 452-2041  
Matt Thurber, Assistant Director, 452-2034  
Matt Hobson, Fiscal Manager, 452-4193  
*Utilities Department*

**EXECUTIVE SUMMARY****ACTION**

This Resolution authorizes the execution of a grant agreement with Washington State Department of Commerce to support the construction of affordable housing by reimbursing the construction of utility infrastructure improvements and regional capital facility charges for the Terrapin Bellevue project, in the amount of \$1,000,000.

**RECOMMENDATION**

Move to adopt Resolution 10494

**BACKGROUND/ANALYSIS**

In 2021, the Washington State Department of Commerce created the Connecting Housing to Infrastructure Program (CHIP). The program offers grant funding for utility improvements and system development charges for affordable housing projects that serve and benefit low-income households.

In late 2024, Bellevue Utilities submitted a grant application to the Washington State Department of Commerce to request CHIP funding for utility infrastructure improvements needed for the Terrapin Bellevue project. The Department of Commerce has awarded a \$1,000,000 grant to Bellevue to serve as reimbursement for utility infrastructure improvements and regional capital facility charges.

After the execution of the grant, the City will be able to request funding reimbursement for work related to the construction of water, sewer, and storm facilities serving the Terrapin Bellevue project as well as capital facility charges in an amount up to \$1,000,000.

The Terrapin Bellevue project is currently in construction. Once completed, the project will include 172 total units; 156 of which will be affordable to low-income households.

A copy of the proposed grant agreement is in the Council Library.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

ESSB 5200, Section 1021(1), authorized grant funding to local governments, or their contracted service providers, for system development charges and utility improvements for affordable housing projects that serve and benefit low-income households.

BCC 4.28.200(B) requires council approval for any grant contract that exceeds \$350,000.

### **Fiscal Impact**

There is no net fiscal impact. Utilities will pay \$1,000,000 to reimburse construction costs related to utility infrastructure improvements for the Terrapin Bellevue project and will receive a reimbursement grant for the same amount.

## **OPTIONS**

1. Adopt the Resolution authorizing execution of a grant agreement with the Washington State Department of Commerce to accept up to \$1,000,000 of Connecting Housing to Infrastructure Program (CHIP) grant funding to reimburse the construction of utility infrastructure improvements and regional capital facility charges for the Terrapin Bellevue project.
2. Do not adopt the Resolution and provide alternative direction to staff.

## **ATTACHMENTS**

Proposed Resolution No. 10494

## **AVAILABLE IN COUNCIL LIBRARY**

Department of Commerce Grant Agreement – Terrapin Bellevue project