

March 5, 2018

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution authorizing execution of an agreement with Catholic Community Services' for the Kirkland Family/Women's Shelter in the amount of \$203,669, as recommended by the ARCH (A Regional Coalition for Housing) Executive Board.

STAFF CONTACTS

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FISCAL IMPACTS

The ARCH Executive Board is requesting Bellevue funding of \$203,669 for Catholic Community Services Kirkland Family/Women's Shelter. The ARCH Executive Board is also recommending, in separate actions this evening, \$60,567 for Congregations for the Homeless Men's Group Homes, \$807,558 for King County Housing Authority (KCHA) Trailhead apartments, and \$498,264 for Imagine Housing Esterra Park apartments. The ARCH Executive Board also is recommending a \$248,485 contingency for Imagine Housing Esterra Park apartments. Funding for these projects total \$1,570,058, or with the \$248,485 contingency \$1,818,543. If approved by Council, the funds would be allocated to these projects from the City's Housing Fund to ARCH. The City established the Housing Fund in 1991 to fund the creation and preservation of affordable housing for low- and moderate-income households. There is sufficient authority in the City's 2017-2018 Housing Trust Fund budget to support this expenditure.

POLICY CONSIDERATION

Comprehensive Plan:

Bellevue funding for these four projects is consistent with Comprehensive Plan policies HO-21, 22, 25, 26 and 35 that:

- Address the entire spectrum of housing needs, including the need for housing affordable to very low, low, and moderate-income households;
- Promote regional cooperation to create affordable housing;
- Provide funding to support housing need, especially for low and very low-income households;
- Partner with not-for-profit agencies to provide permanent low-and moderate-income housing; and
- Provide a range of housing options to support efforts to move homeless persons to long-term financial independence.

BACKGROUND

At its February 12 Study Session Council reviewed the proposed funding for the recommended projects and directed that these items return on consent for Council action. The following information was previously provided to Council at the February 12 Study Session.

The fall Trust Fund round has had several unique aspects that are reflected in the recommendations from the ARCH Executive Board. First is the overall amount of affordable housing being proposed. Up to 400 units and beds could be funded this round, compared to annual averages of between 100 and 150 units/beds in recent years. Second, and related to the first item, a number of cities are making other resources available in addition to funds allocated through the ARCH Trust Fund Process. These other sources, which total over \$10 million, come from a variety of sources including fee waivers, in-lieu fees from private developments, REET and land sale proceeds. Third, King County is making a large amount of one-time resources available for Transit Oriented Development projects with two proposed projects trying to leverage those resources. Fourth, because the State Capital Budget was not adopted, the State Trust Fund application process has been delayed.

The ARCH Executive Board is requesting Bellevue funding of \$1,570,058 for four recommended projects: \$203,669 for Kirkland women and family shelter from Catholic Community Services of Western Washington (CCS) with the Sophia Way; \$60,567 for men's home from Congregations for the Homeless; \$807,558 for the Trailhead apartment from KCHA; and \$498,264 for Esterra Park apartments in Redmond's Overlake area (former Group Health site) from Imagine Housing. In addition, in order to have a fully-funded project available for Tax Credit allocation, and to address the lack of Commerce Funding due to not yet having a State Budget, the Executive Board is requesting a \$248,485 contingency award from the 2018 City Commitment to the Trust Fund for this project. Bellevue's funding is equal to 33 percent of the total funds recommended through the Fall 2017 Trust Fund process (does not include other resources described above that cities are making available).

If approved by Council, the funds would be allocated to these projects from the City's Housing Fund to ARCH. The City established the Housing Fund in 1991 to fund the creation and preservation of affordable housing for low- and moderate-income households. The Housing Fund includes a combination of general fund contributions, loan payments by previously funded projects, and interest earnings. The Housing Fund currently has a balance to support the recommended funding level. The current balance does not include the in-lieu fees received from projects in the Spring District, or the \$500,000 annual Capital Improvement Program housing set-aside. There is sufficient authority in the 2017-2018 Housing Fund budget for this expenditure.

ARCH is the entity that receives and reviews applications for the City's available housing dollars. ARCH includes many Eastside cities who utilize the ARCH Trust Fund process to develop recommendations for the allocation of their housing resources. This approach has allowed funds from multiple cities to be pooled and made available to projects across East King County with the goals of maximizing the creation of affordable housing overall, and in each city.

The ARCH Citizen Advisory Board (CAB) reviews the applications 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. Through the 2016 application round, \$47.9 million has been allocated through the ARCH Housing Trust Fund, helping to create over 3,360 units of affordable housing. In addition, projects funded through the ARCH Trust Fund have secured hundreds of millions of dollars in other public and private sector housing investments.

2017 Funding Round

The ARCH CAB and Executive Board reviewed and recommended funding for four applications, as described in the ARCH Executive Board January 11, 2018 Housing Trust Fund Recommendation (Attachment A).

Included in this memo is a brief description and funding rationale for the Catholic Community Services Kirkland women and family shelter. More detailed information on this project is attached including proposed funding conditions (Attachment A). Funding conditions address a range of issues such as duration of affordability (typically 50 years), timing of release of City funds relative to commitment of other funding sources, if the City funds are made in the form of a grant or loan, and other project-specific issues such as providing management plans.

Catholic Community Services with Sophia Way, Kirkland Shelter

Project Summary:

Catholic Community Services of Western Washington (CCS) with the Sophia Way is proposing development of a permanent winter shelter for unaccompanied women and families. This facility will replace the temporarily located winter shelters and day centers that have served women and families and operated by Sophia Way and CCS. The proposal is a new 19,075 square foot building housing two separate shelters and day centers located on separate floors. The women's shelter is sized to house 48 women; the family shelter will house families comprising a total of up to 50 persons. The day center spaces will accommodate private case management, food preparation and service, computer lab and storage of belongings and pets.

The property is located on a portion of the Salt House Church, located in the Rose Hill area of Kirkland several blocks south of 85th Street, a central transportation and retail corridor. Kirkland proposes to acquire the site and to make it available for the project per a long-term lease.

Funding Rationale:

The CAB and Executive Board supported this application for the following reasons:

- Provides shelter in a permanent location, and could move to full time operation with additional operating and services funding;
- Helps implement a vision regarding a more comprehensive approach to shelter and related services to assist homeless that has been part of ARCH member cities work program for several years and endorsed by All-Home;
- Operators are respected, and have been successful for eight years of operation in serving this population in a winter shelter;
- Site is available for use. Outreach has already occurred for the existing day center operating at the site. Shelter has also been touched on in this outreach effort;
- City Council has been supportive and already committed significant funds to the project;
- Operators are committed to raising \$1.2 million through capital campaign and a coalition of local faith organizations (New Bethlehem project) have committed to assisting the project and already successfully assisted the existing day center on-site; and
- Kirkland land ownership structure provides more long-term stability for the long-term use of the facility for proposed or similar use.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately upon Council adoption.

OPTIONS

1. Adopt the Resolution authorizing execution of an agreement with Catholic Community Services' for the Kirkland Family/Women's Shelter in the amount of \$203,669, as recommended by the ARCH (A Regional Coalition for Housing) Executive Board.
2. Do not adopt the Resolution and provide alternative direction to staff.

RECOMMENDATION

Option 1

MOTION

Move to adopt Resolution No. 9381 authorizing execution of an agreement with Catholic Community Services' for the Kirkland Family/Women's Shelter in the amount of \$203,669, as recommended by the ARCH (A Regional Coalition for Housing) Executive Board.

ATTACHMENTS

- A. ARCH Executive Board January 11, 2018 Housing Trust Fund Recommendation Proposed Resolution No. 9381

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

N/A