

## CITY COUNCIL REGULAR SESSION

Resolution authorizing the City Manager to execute the documents necessary to facilitate the sale of real property located in Sammamish, Washington, owned by LifeWire, a Washington nonprofit corporation, and which previously received Housing Trust Funds, so that the proceeds from the sale may be applied to a new housing project located in Bellevue in order to provide increased affordable housing for and improved services to domestic violence survivors and their children.

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## EXECUTIVE SUMMARY

This resolution authorizes the City Manager to execute the documents necessary to facilitate the sale of certain real property owned by LifeWire and located in Sammamish, Washington. In the 1990's, the property at issue received two awards of Housing Trust Fund monies, resulting in a promissory note, deed of trust, and restrictive covenant in the City's favor. LifeWire must sell the property to finance the construction and operation of its new domestic violence shelter to be located in Bellevue. In exchange for the City agreeing to release its property interests, LifeWire will apply all proceeds from the sale to the construction and operation of its new shelter.

## RECOMMENDATION

Move to adopt Resolution No. 10257

## BACKGROUND/ANALYSIS

LifeWire is a Washington nonprofit that helps individuals impacted by domestic violence to build safer and healthier lives by offering support, resources, and professional services. As part of its mission, LifeWire provides affordable housing to survivors of domestic violence, including children.

In 1993, the City executed a Housing Trust Fund (HTF) Funding Agreement with the Eastside Domestic Violence Program (EDVP), now LifeWire. This funding agreement awarded \$15,000 for the purpose of a land option and/or predevelopment costs to expand the number of bedrooms and services available through a confidential shelter program in Sammamish, Washington. In exchange, EDVP promised to maintain the affordability of any units constructed for a period of 40 years.

In 1998, pursuant to Resolution No. 6072, the City executed a second HTF Funding Agreement with EDVP. Through this agreement, the City provided an additional \$10,000 for the construction of five affordable housing units for domestic violence survivors, which increased the total number of units available through the shelter program from nine to fourteen. In exchange, EDVP issued a promissory

note, and recorded a deed of trust and restrictive covenant, in favor of the City. Additionally, EDVP promised to maintain the affordability of the units for a period of 50 years and reserve the units for low-income households at or below 50 percent of the area median income (AMI).

In 2021, LifeWire sought to rehabilitate a three-building site in Bellevue to create 25 one- and two-bedroom units of affordable housing for domestic violence survivors. The rehabilitation would provide 15 emergency units and 10 transitional units; with certain units also reserved for individuals recovering from substance abuse and/or with limited mobility. The development would provide affordable housing to clients with incomes between 0-50 percent AMI. Additionally, LifeWire proposed to construct a new building to provide consolidated services for its residents and clients.

In 2022, ARCH member cities agreed to contribute \$122,131 to the new shelter in Bellevue. Additionally, the City of Bellevue agreed to contribute an additional \$1.6 million in capital funding toward the project from its Housing Stability Program (HSP). See Ordinance 6653; Resolution 10088. These awards are also secured by a promissory note, deed of trust, and restrictive covenant. Pursuant to the covenants recorded, LifeWire has agreed to maintain the requisite affordability at the new shelter for a period of 50 years.

For the rehabilitation, construction, and operation of the Bellevue shelter to proceed as contemplated, LifeWire must sell its Sammamish property. To facilitate a sale, LifeWire has asked the City to release its property interests. In exchange, LifeWire will apply all proceeds to its new Bellevue shelter, which will result in a net increase of affordable housing for and improved services to low-income, domestic violence survivors and their children.

The proposed action contemplates execution of the following: (1) an agreement, where by the City agrees to release LifeWire from its 1993 and 1998 obligations in exchange for LifeWire's pledge to apply all sale proceeds to the new Bellevue shelter; (2) cancellation of the 1998 promissory note; (3) reconveyance of the 1998 deed of trust; and (4) release of the 1998 restrictive covenant.

## **POLICY & FISCAL IMPACTS**

### Washington State Constitution Art. VIII, section 7.

The City may lend money, property, and credit to individuals, associations, companies, or corporations when necessary to support the poor or infirm.

### Revised Code of Washington

RCW 35A.11.020 vests the authority to dispose of real property interests in the City's legislative body.

### Bellevue City Code

BCC 4.32.060 requires council approval to release any real property interest in favor of the City.

### **Fiscal Impact**

There is no fiscal impact associated with the proposed action. To the contrary, execution of the documents needed to facilitate the property's sale and release the City's interests will further secure the 2022 investment made by the City and ARCH members. Additionally, the City's interest in preserving the long-term affordability of units reserved for domestic violence survivors and their children is preserved

via a promissory note, deed of trust, and restrictive covenant that was issued/recorded as part of its contribution through ARCH and its HSP.

## **OPTIONS**

1. Adopt the Resolution authorizing the City Manager to execute the documents necessary to facilitate the sale of real property located in Sammamish, Washington, owned by LifeWire, a Washington nonprofit corporation, and which previously received Housing Trust Funds, so that the proceeds from the sale may be applied to a new housing project located in Bellevue in order to provide increased affordable housing for and improved services to domestic violence survivors and their children.
2. Do not adopt the Resolution and provide alternative direction to staff.

## **ATTACHMENTS**

- A. Agreement regarding 1993 and 1998 Housing Trust Fund Grants.  
Proposed Resolution No. 10257

## **AVAILABLE IN COUNCIL LIBRARY**

1993 Housing Trust Fund Funding Agreement

1998 Housing Trust Fund Funding Agreement

1998 – Promissory Note

1998 – Deed of Trust

1998 – Regulatory Agreement and Declaration of Restrictive Covenant

Resolution 6072 (date 2/18/1997)

Ordinance 6653 (date 3/14/2022)

Resolution 10088 (date 5/9/2022)