

CITY COUNCIL AGENDA TOPIC

A RESOLUTION authorizing the City Manager, or her designee, as administering agency and member city of A Regional Coalition for Housing (ARCH) to partially reconvey the ARCH Deed of Trust and partially release the ARCH Regulatory Agreement for the Eastgate Permanent Supportive Housing (PSH) Parcel to facilitate conveyance of 39,808 SF (0.9 acre) of real property by Eastgate Housing LLC to CFH Alliance LLC, along with replacement easements, following a Boundary Line Adjustment (BLA).

Emil King, Director, 452-7223

Thara Johnson, Planning Director, 452-4087

Community Development

Lindsay Masters, Executive Director, 861-3677

Patrick Tippy, Investments Manager, 305-5364

A Regional Coalition for Housing (ARCH)

EXECUTIVE SUMMARY**ACTION**

This Resolution authorizes the City as administering agency and member city of ARCH to partially reconvey the ARCH Deed of Trust and partially release the ARCH Regulatory Agreement for the Eastgate PSH Parcel to facilitate conveyance of 39,808 SF (0.9 acre) of real property by Eastgate Housing LLC to CFH Alliance LLC, along with replacement easements, following a boundary line adjustment.

RECOMMENDATION

Move to approve Resolution 10491

BACKGROUND/ANALYSIS

In 2021, the City, as ARCH's Administering Agency, executed contract documents including a Deed of Trust and Regulatory Agreements for two affordable development projects in Bellevue, the 95-unit Plymouth Crossing PSH project, which includes housing for households experiencing homelessness and Congregation for the Homeless' Men's Shelter project, a 100-bed overnight shelter and drop-in day center for individuals experiencing homelessness.

The Plymouth Crossing project is owned by an entity called Eastgate Housing LLC, and is also referred to in the documents as Eastgate or Eastgate PSH. The property owned by Eastgate Housing LLC is referenced as the Eastgate or Eastgate PSH Parcel. The Men's Shelter is owned by an entity called CFH Alliance LLC, and is also referred to in the documents as Porchlight or CFH. The property owned by CFH Alliance LLC is referenced as the Shelter Parcel.

The owners of those two projects, Eastgate Housing LLC and CFH Alliance LLC, are requesting that the City, as Administering Agency of ARCH, approve and execute a partial release and reconveyance of instruments recorded against title to the Eastgate PSH Parcel, following a BLA that occurred in 2024 (which was administratively approved by Development Services). The BLA was contemplated in 2021 in a BLA Agreement between the owners of the Eastgate PSH Parcel and the Shelter Parcel with the

BLA to be completed after construction completion of both buildings. ARCH and Bellevue Development Services were aware of the BLA Agreement prior to closing on the financing of the projects though were not party to the BLA Agreement.

The instruments proposed for partial release/reconveyance are currently on title to secure the affordable housing covenants and the loan funds of ARCH member cities. The proposed release/reconveyance is recommended by staff. It will be handled in a way that does not materially impair the interests of ARCH member cities. Easement rights to critical facilities and amenities originally developed on the Eastgate PSH Parcel will be conveyed from CFH to Eastgate, and from Eastgate to CFH, with legal descriptions for ARCH security instruments updated and recorded concurrently with release/partial reconveyance. Chicago Title, which issued the original lender's policies of title for the Eastgate PSH Parcel and the Shelter Parcel, is expected to issue endorsements to reflect the changes to collateral. The number of affordable housing units and shelter beds and terms of affordability will remain unchanged with the partial release, reconveyance and consent. Although land is added to the Shelter Parcel, the operation of the Shelter Parcel will not be materially affected, and the same area will be covered by the Safety & Security Plan.

Please see attached supplemental memo regarding the development of the lots, the reason for the BLA, and the rationale for approving the partial release and reconveyance of instruments.

POLICY & FISCAL IMPACTS

Policy Impact

The Boundary Line Adjustment between the Eastgate PSH Parcel and the Shelter Parcel was administratively approved by Development Services, the land use permitting agency, in 2024. The BLA was contemplated in 2021 in a BLA Agreement between the owners of the Eastgate PSH Parcel and the Shelter Parcel. ARCH and Bellevue Development Services were aware of the BLA Agreement prior to closing on the financing of the projects, though were not party to the BLA Agreement.

The City has a policy framework that supports permanent supportive housing and provision of shelter for people exiting homelessness. The proposed release/reconveyance is supported by a number of Comprehensive Plan elements, including:

HO- 60, Work cooperatively with King County, ARCH and other regional and statewide organizations and other jurisdictions to assess the need for, and to create, affordable housing;

HO-68, Support the development of housing for people exiting homelessness in all areas of the city;

HO-69, Work to co-locate services and housing to prevent occurrences of homelessness and to support residents' transition into stable and permanent housing; and

HO-77, Support efforts to ensure the safety and well-being of people experiencing homelessness.

The proposed release/reconveyance of the instruments securing the affordable housing covenants and the loan funds of ARCH member cities will be handled in a way that does not materially impair the

interests of ARCH member cities. The number of affordable housing units and shelter beds and term of affordability will remain unchanged with the partial release, reconveyance and consent. Although land is added to the Shelter Parcel, the operation of the Shelter Parcel will not be materially affected, and the same area will be covered by the Safety & Security Plan.

Fiscal Impact

There is no cost to facilitate the release, partial reconveyance, and update to the legal documents for the two projects.

OPTIONS

1. A RESOLUTION authorizing the City Manager, or her designee, as administering agency and member city of A Regional Coalition for Housing (ARCH) to partially reconvey the ARCH Deed of Trust and partially release the ARCH Regulatory Agreement for the Eastgate Permanent Supportive Housing (PSH) Parcel to facilitate conveyance of 39,808 SF (0.9 acre) of real property by Eastgate Housing LLC to CFH Alliance LLC, along with replacement easements, following a Boundary Line Adjustment (BLA).
2. Do not approve the Resolution and provide alternative direction to staff.

ATTACHMENTS

Proposed Resolution No. 10491

AVAILABLE IN COUNCIL LIBRARY

Supplemental Memo