

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 10603

A RESOLUTION authorizing an Affordable Housing Fund capital award in the amount of \$6,104,471 for the Forest Edge Project; approving conditions for funding recommended by staff; and authorizing the City Manager to enter into agreements for the project and execute necessary documents consistent with approved conditions.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Manager or designee is hereby authorized to apply Affordable Housing Fund capital monies in the amount of \$6,104,471 to the Forest Edge Project.

Section 2. To ensure that Affordable Housing Fund monies are used for their intended purposes and to ensure effective monitoring, the Forest Edge Project funding conditions in Attachment A are hereby approved.

Section 3. The City Manager or designee is hereby authorized to enter into agreements and to execute necessary documents for the Forest Edge Project that are substantially consistent with the conditions approved in Section 2.

Passed by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2026, and signed in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

(SEAL)

\_\_\_\_\_  
Mo Malakoutian, Mayor

Attest:

\_\_\_\_\_  
Charmaine Arredondo, City Clerk

**Attachment A:**

**Forest Edge Project Funding Conditions**

**Special Conditions:**

Prior to Contracting.

- a. The funding commitment shall continue for **twenty-four (24) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider subsequent 12-month extensions only based on documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant must demonstrate that all capital funding has been secured or is likely to be secured within a reasonable time.
  
- b. Funds will be in the form of a **deferred, contingent loan**. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Agency shall provide final operating proforma and cashflow waterfall for ARCH staff review. Final loan terms shall be determined prior to release of funds and must be approved by ARCH Staff. It is anticipated that loan payments will be based on a set repayment schedule and begin after the repayment of the Amazon loan and the deferred developer fee with 1% interest. The terms will also include a provision for the Agency to defer payment if certain conditions are met (e.g., low cash flow due to unexpected costs). Any requested deferment of loan payment is subject to approval by ARCH staff, and any deferred payment would be repaid from future cash flow or at the end of the amortization period.
  
- c. A covenant is recorded ensuring affordability for at least 55 years, with size and affordability distribution per the following table. Changes may be considered based on reasonable justification as approved by ARCH staff (such as changes to accommodate income averaging across the project).

<b>Affordability</b>	<b>Studio</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>	<b>Total</b>
<b>60%</b>	20	32	27	21	100
<b>Total Low-Income Units</b>	20	32	27	21	100
<b>Total Units</b>	<b>20</b>	<b>32</b>	<b>27</b>	<b>21</b>	<b>100</b>

Through Construction Period.

- a. (blank)

Ongoing Requirements Through the Period of Affordability.

- a. (blank)

**Standard Capital Award Conditions:**

Prior to Contracting.

- a. Agency shall submit evidence of funding commitments from all proposed sources. In the event commitment of funds identified in the application cannot be secured in the timeframe identified in the application, the Agency shall immediately notify City/City's designee, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to City/City's designee review and approval.
- b. In the event federal funds are used, and to the extent applicable, all federal laws, regulations and guidelines must be met, including but not limited to the following: contractor solicitation, bidding, and selection; wage rates; and Endangered Species Act (ESA) requirements. CDBG funds may be used, subject to program requirements.
- c. AGENCY must submit a draft management, affirmative marketing, and services plan, if applicable, for approval by staff designated by the City.

Through Construction Period.

- a. None.

Ongoing Requirement through Period of Affordability.

- a. **(HSP Only)** The project must serve the target population and income levels required by the funding source, the sales and use tax for housing and related services authorized by RCW 82.14.530.
- b. AGENCY shall provide revised acquisition development and operating budgets based upon actual funding commitments, which must be approved by staff designated by the City. If AGENCY is unable to adhere to the budgets, the City/City's designee must be immediately notified and (a) new budget(s) shall be submitted by AGENCY for City approval. The City's designee shall not unreasonably withhold its approval to (a) revised budget(s), so long as such new budget(s) does not materially adversely change the Project. This shall be a continuing obligation of the City. Failure to

adhere to the budgets, either original or as amended may result in withdrawal of City's commitment of funds.

- c. AGENCY shall maintain documentation of any necessary land use approvals and permits required by the city in which the project is located.
- d. City shall retain, and not release, five percent (5%) of the award amount until the project completion and satisfaction of the close out terms.
- e. Owner/AGENCY shall submit quarterly monitoring reports until the opening of the housing/building to occupancy, and annually thereafter, and shall submit a final budget after closing on the acquisition and upon project completion. Owner shall submit initial tenant information as required by the City/City's designee.
- f. Owner/AGENCY shall maintain the project in good and habitable condition for the duration of the period of affordability.
- g. Owner/AGENCY must submit for approval by the City/City's designee a final management, affirmative marketing, and services plan at least 60 days prior to occupancy.
- h. Agency may negotiate, approve, execute, and record amendments or releases of any Bellevue loan documents as may be needed for the project; provided the project still provides the anticipated affordable housing and there is sufficient collateral to secure the members' financial interest, all as determined by City/City's designee.
- i. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow the ARCH Net Developer Fee Schedule. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.
- j. A covenant is recorded ensuring affordability for at least 55 years, with size and affordability distribution per award letter.
- k. It is further acknowledged that projects may change in any number of ways from the time of award until signing of the funding agreement. In order to continue support of projects after legislative approval, the following changes may be approved by the party identified below.

<b>Type of Change</b>	<b>Proposed Approver</b>
Change to proposed population	City Manager

Change to total number of units or bedrooms of less than 20%	OH Director
Change to total number of units or bedrooms greater than 20%	City Manager
Change to affordability levels resulting in average AMI increasing 10% AMI or less change	OH Director
Change to affordability levels resulting in average AMI increasing over 10% AMI	City Manager
Increase in funding amount up to 20%**	(subject to funding availability) City Manager
Change in project sponsor	City Manager