

## CITY COUNCIL REGULAR SESSION

An Ordinance authorizing the City Manager to enter into an agreement for the Imagine Housing Samma Senior Apartments in the amount of \$2,000,000, as recommended by the ARCH (A Regional Coalition for Housing) Executive Board; and amending the 2021 – 2022 Housing Fund (#1900) to increase the appropriation by \$2,000,000.

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## EXECUTIVE SUMMARY

This Ordinance authorizes the City Manager to enter into an agreement for the Samma Senior Apartments affordable housing project in an additional amount of \$2,000,000 as recommended by the ARCH Executive Board.

This amount is in addition to the \$62,200 previously authorized by the City Council on April 12, 2021, pursuant to Resolution No. 9922. The increased appropriation is entirely funded by a private donation from Amazon, which it requests be loaned to the Samma Senior Apartments through ARCH.

The Samma Senior Apartments will be constructed in Bothell, Washington, and the project will benefit the region's low-income and vulnerable senior population.

## RECOMMENDATION

Move to adopt Ordinance No. 6675

## BACKGROUND/ANALYSIS

The City of Bellevue is a long-time and committed member of ARCH, a joint undertaking through which East King County municipalities work together to provide affordable housing throughout the region by, among other things, combining public funding with private-sector resources.

At a Study Session on February 16, 2021, the City Council reviewed the ARCH Executive Board's proposed funding for certain recommended projects in the region. These recommended projects included the Imagine Housing Samma Senior Apartments, which proposed to create 76 new, affordable housing units in Bothell, Washington, for the benefit of the region's low-income seniors.

On April 12, 2021, consistent with the ARCH Executive Board's recommendation, the City Council adopted Resolution No. 9922, authorizing \$62,200 in Bellevue funding to be applied to the Imagine Housing Samma Senior Apartments (hereinafter "Project"). The combined contribution from all ARCH members toward this project totaled \$500,000 in local general fund dollars, which are to be dispersed through an ARCH deferred, contingent loan. This award supplemented a previous ARCH award of \$750,000 in federal Community Development Block Grant (CDBG) funds for the property acquisition.

The Project will also be financed with several other sources of funding. To complete the financing needed for the project, Imagine Housing secured a \$2,000,000 commitment from Amazon. To facilitate

a funding structure that maximizes the overall benefits to the project, Imagine Housing asked if ARCH could receive the contribution from Amazon, and then loan the funds to the project consistent with ARCH's previously approved terms and conditions.

However, the ARCH interlocal does not contemplate ARCH receiving private loans, grants, or donations by itself because funding for affordable housing projects is provided and approved by ARCH's individual members. Thus, as ARCH's administering agency, the City of Bellevue and Amazon negotiated a donation to the City (see Attachment A), consistent with its donation policies/procedures, which could then be transferred to the ARCH fiduciary account upon Council approval and consistent with the process prescribed by the ARCH interlocal agreement.

The anticipated project financing closing date for the Samma Senior Apartments is September 28, 2022. To ensure the additional \$2,000,000.00 can be available for closing, ARCH and City staff seek Council approval to increase the City's appropriation toward the project and execute the necessary contracts to release the donated funds, consistent with the recommendation approved by the ARCH Executive Board on September 8, 2022 (see Attachment B). Such funds will be loaned to the project via standard ARCH agreements.

As the increased appropriation for the project will draw from the City's "Housing Fund" (Fund #1900) this also requires the City Council to increase the City's spending authority under said fund.

Upon adoption of the proposed ordinance, the City will transfer the \$2,000,000 to the "ARCH Housing Private Purpose Trust Fund" (Fund #6950), a fiduciary account for specific affordable housing projects. ARCH will then disperse this amount, in addition to the \$500,000 previously approved by its members, consistent with its standard practices and funding agreements.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact:**

#### RCW 35.21.100

Washington cities are expressly authorized to accept any money donated to them, and to carry out the lawful terms/conditions associated with such donations.

#### RCW 35.21.685

Washington cities are expressly authorized to assist in the development of publicly or privately owned housing for persons of low income by providing loans or grants of municipal funds to the owners or developers of the housing project. The loans or grants shall be authorized by the legislative authority of the respective cities.

#### Bellevue's Comprehensive Plan:

Increased funding for the Imagine Housing Samma Senior Apartments is consistent with the following Bellevue Comprehensive Plan policies:

HO-21: Address the entire spectrum of housing needs, including the need for housing affordable to very low, low, and moderate income households, through the city's affordable housing programs.

HO-22: Work cooperatively with King County, A Regional Coalition for Housing (ARCH), and other Eastside jurisdictions to assess the need for, and to create affordable housing.

HO-25: Provide funding to support housing need, especially for low and very low income households.

HO-26: Provide incentives and work in partnership with not-for-profit and for-profit developers and agencies to build permanent low- and moderate-income housing.

HO-38: Support regional efforts to prevent homelessness, and make homelessness rare, brief, and one time when it occurs. Provide a range of affordable housing options and support efforts to move homeless persons and families to long-term financial independence.

### ARCH Interlocal Agreement

One of the stated purposes of ARCH is “to act cooperatively to formulate affordable housing goals and policies and to foster efforts to provide affordable housing by combining public funding with private-sector resources.” Consistent with this purpose, “ARCH will work directly with private developers, financial institutions, non-profit corporations and other public entities to assist in the implementation of affordable housing projects” and “work directly with other public and private entities for the development of affordable housing policies and to encourage the provision of affordable housing.”

Additionally, the ARCH interlocal requires “[e]ach [member] choosing to participate in funding a project or program through the Housing Trust Funds Account will by action of its legislative body authorize the application of a specified amount of its Individual Account monies to such project or program, and shall direct ARCH, [the] ARCH Program Manager, and the Administering Agency to take such actions as necessary to accomplish this.”

### **Fiscal Impact**

There is no adverse fiscal impact. The City’s increased and supplemental appropriation is entirely funded by the recent donation from Amazon; and the City’s prior appropriation, pursuant to Resolution No. 9922, is fully funded and budgeted.

### **OPTIONS**

1. Adopt the Ordinance authorizing the City Manager to enter into an agreement for the Imagine Housing Samma Senior Apartments in the amount of \$2,000,000, as recommended by the ARCH (A Regional Coalition for Housing) Executive Board; and amending the 2021 – 2022 Housing Fund (#1900) to increase the appropriation by \$2,000,000.
2. Do not adopt the Ordinance and provide alternative direction to staff.

### **ATTACHMENTS**

- A. Amazon Donation Agreement (date 9/14/2022)
  - B. ARCH Executive Board Housing Trust Fund Recommendation
  - C. Resolution No. 9922
- Proposed Ordinance No. 6675

**AVAILABLE IN COUNCIL LIBRARY**

Donation Policy and Procedures (revised April 2019).