

**CITY COUNCIL REGULAR SESSION**

Resolution authorizing the City Manager to enter into an agreement for the Horizon at Totem Lake affordable housing project in the amount of \$192,900, as recommended by the ARCH (A Regional Coalition for Housing) Executive Board.

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**EXECUTIVE SUMMARY**

As directed by Council on March 14, this Resolution authorizes the City Manager to enter into an agreement for Horizon at Totem Lake in the amount of \$192,900 as recommended by the ARCH Executive Board. The ARCH Executive Board is also recommending, in separate actions this evening: \$16,100 for Hope Starts Here (Bellevue); \$32,200 for Leo at Trailhead (Issaquah); and \$86,800 for New Ground Kirkland (Kirkland).

**RECOMMENDATION**

Move to adopt Resolution No. 10089

**BACKGROUND**

**At its March 14 Study Session, Council reviewed the proposed funding for the recommended projects and directed that these items return for Council action. This background information was previously provided to Council at the March 14 Study Session.**

The 2021 Fall Trust Fund round includes five applications, four of which are recommended for funding by the ARCH Executive Board representing requests for \$3.175 million in local funds from ARCH members.

**These recommendations advance a significant number of projects that meet urgent local priorities, including mixed income workforce housing, transitional and emergency housing for victims of domestic violence, affordable housing for youth seeking to further their career and education, and much needed affordable housing for individuals with developmental disabilities to be integrated into a transit-oriented development.**

The ARCH Executive Board is requesting Bellevue funding of \$328,000 for the four recommended projects:

- \$192,900 for Horizon at Totem Lake (Kirkland);
- \$16,100 for Hope Starts Here (Bellevue);
- \$32,200 for LEO at Trailhead (Issaquah); and
- \$86,800 for New Ground Kirkland (Kirkland).

Bellevue's funding for 2021 is equal to 10.3 percent of the total funds recommended through the Fall 2021 Trust Fund process. If approved by Council, funding for these projects would be from general funds allocated by Council and affordable housing loan repayments. It does not include BelRed developer fees or capital investment program (CIP) contingency funds.

ARCH includes 15 Eastside cities who utilize the ARCH Trust Fund process to develop recommendations for the allocation of 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 applications each year 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. With the 2021 application round, \$3.175 million would be allocated through the ARCH Housing Trust Fund, helping to create 344 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 since ARCH's inception in 1992.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

Comprehensive Plan:

Bellevue funding for these four projects is consistent with Comprehensive Plan policies HO-21, 22, 25, 26 and 38 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.

### **Fiscal Impact**

The funding request for Horizon at Totem Lake is \$192,900. The ARCH Executive Board is recommending Bellevue funding of \$328,000 for all four recommended projects. If approved by Council, the funds would be allocated to projects from the City's Housing Fund. The City established the Housing Fund in 1991 to fund the creation and preservation of affordable housing. The Housing Fund includes a combination of general fund contributions, loan payments by previously funded projects, and interest earnings. There is sufficient funding in the City's Housing Fund for this expenditure.

## **OPTIONS**

1. Adopt the Resolution authorizing the City Manager to enter into an agreement for the Horizon at Totem Lake affordable housing project in the amount of \$192,900, as recommended by the ARCH (A Regional Coalition for Housing) Executive Board.
2. Do not adopt the Resolution and provide alternative direction to staff.

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

Proposed Resolution No. 10089

## **AVAILABLE IN COUNCIL LIBRARY**

ARCH Executive Board Housing Trust Fund Recommendation 2021 Projects and Funding Sources dated December 9, 2021

Economic Summaries of Recommended 2021 Housing Trust Fund Projects