

BACKGROUND INFORMATION

This attachment includes additional information regarding funding applications and the review process to supplement the summary found in the agenda memo.

Applicant:	LifeWire
Project Name:	Hope Starts Here
Funding Request:	\$2,000,000 (Secured Grant)
	For 25 Affordable Units for survivors of domestic violence
Staff Recommendation:	Up to \$1,600,000 (Secured Grant)

Project Summary:

LifeWire requested 1590 funding from the City of Bellevue for the development of their Hope Starts Here (HSH) project. The proposed project is the rehabilitation of an existing property in Bellevue into 25 one and two-bedrooms units of affordable housing plus the new construction of a building for providing on-site services to domestic violence survivors. The project will serve single women and women with children impacted by domestic violence who do not have other options for housing.

LifeWire intends to operate the building with a mix of low barrier emergency and transitional housing. Priority will be given to survivors with the highest risks for lethality and homelessness and those who have the greatest barriers to other housing, earning 0-50% AMI. The project is the culmination of several years of planning by LifeWire to consolidate two existing programs located in less-than-ideal facilities, currently located in other jurisdictions, plus add capacity with five additional units to serve the overwhelming need among DV survivors. The consolidation of scattered housing into one location will dramatically improve the agency's effectiveness in serving a DV population. The property was purchased in 2019 using funds from the Regional Equitable Development Initiative (REDI) fund, which provides pooled funding from public and private sources including ARCH.

The project will provide 25 units for families who would otherwise remain in an abusive situation, including 20 units for families earning less than 30% AMI. It will provide 15 units of emergency housing for women with high barriers to housing, and 10 units of transitional housing for domestic violence survivors with children who are also recovering from substance abuse. LifeWire will also prioritize survivors with the greatest safety risks and highest barriers to housing and services, who are disproportionately Black, Indigenous, People of Color, LGBTQ, immigrants, refugees, and people with disabilities.

On-site supportive services are integral to the proposed project. LifeWire offers weekly DV support groups, therapy groups, one-on-one support, assistance towards any other personal goals, and basic

needs support including food, clothing, and other items. A full-time children's advocate will also coordinate weekly children's support groups, serve as an education liaison, provide parenting support, and forge connections to enrichment activities, including partnerships with Kinderling, Healthpoint, and other community organizations. Funding for supportive services will come primarily from existing King County and Washington Department of Social and Health Services grants, with some additional funds from private fundraising and pooled funding.

In addition to requesting capital funds from the City of Bellevue, LifeWire requested funding from the State Department of Commerce and King County. They have subsequently received funding from both the State and County totaling funding that is greater than originally expected. In order to fill a potential gap, ARCH and Bellevue staff are recommending City funding up to \$1.6 million. This is \$400,000 under the original application amount while fulfilling the remaining funding gap and including an additional buffer to cover any unexpected decrease in King County funding that may result from the County's review of eligible costs. This allows the project to commence construction in a timely manner. The final award would be reduced based on the County's review and ultimate funding total.

Funding Discussion:

Staff determined that the project meets the City's priorities for funding and the conditions set forth in RCW 82.14.530, and strongly recommend funding the application. In particular, the population served by this project, domestic violence survivors, falls within the 1590 funding priorities. The affordability levels fall within the AMI levels required by RCW 82.14.530. The project also prioritizes most of the units for the lowest AMI levels that are prioritized in the City's stated priorities for this RFP. The project will allow a dependable, long standing non-profit service provider the ability to consolidate its resources and provide more efficient services to residents. This will occur on a site that has convenient access to transit, shopping, and services. It will quickly deploy funds and create immediate housing opportunities for families in need, while following best practices by providing secure, private living spaces for families with wrap-around services. Finally, The project provides significant financial leverage of other resources.

Applicant: Imagine Housing
Project Name: 132nd Avenue Redevelopment

Funding Request: \$100,000 (Secured Grant)
For predevelopment activities

Staff Recommendation: \$0

Project Summary:

Imagine Housing has applied for a \$100,000 secured grant to fund the early feasibility studies to redevelop their 132nd Avenue property in BelRed. The proposed project would involve the redevelopment of two existing commercial buildings and parking lot. The site is currently owned by Imagine Housing and is proposed to be redeveloped to create a mixed-use, mixed-income, transit-oriented development that provides a significant number of affordable housing units.

Imagine Housing has begun initial feasibility conversations for a multi-year project in which Imagine will develop, own and manage an affordable housing component and a partner will own and develop a market rate housing component. Imagine Housing is aiming to have the project completed by the end of 2027.

The existing 2.3-acre project site contains two single-level buildings comprised of approximately 40,000 square feet of commercial space. There are approximately 10 commercial tenants occupying the spaces on the site. The property is expected to be valued at over \$30 million. The project site is located in the 130th Station Area in the BelRed Corridor, which is currently undergoing significant redevelopment. The site is one block south from the 130th Avenue light rail station, which is scheduled to open in 2023.

The project is anticipated to include 100+ affordable housing units, 300+ market rate housing units, commercial retail spaces, a possible early childhood learning center or YMCA facility, and potential office spaces for other service providers. The proposed project will provide affordable housing to residents with incomes between 30% and 60% of the area median income. Imagine expects the project will mirror its current resident population in other projects but did not provide specifics. Currently, Imagine operates a diverse range of affordable housing for different populations across many cultures, ages, languages and family size. Approximately 60% Imagine’s resident households earn less than \$20,000 a year. In addition, 200 of Imagine’s 639 resident households previously experienced homelessness.

Funding Discussion:

Based on the preliminary nature of the proposal, staff were unable to confirm clear commitments to the funding priorities and populations outlined in the RFP and the conditions set forth in RCW 82.14.530 and are not currently recommending funding at this time. However, staff recognize the significant potential in the proposal, and have committed to exploring further partnership as the project progresses. A future funding application is encouraged.

A future application should address the following issues:

- The project design and concept must be clearly outlined, including the proposed population served, services provided, as well as proposed unit affordability and unit mix. The project should demonstrate a commitment to 1590 funding priorities and RCW 82.14.530, including a focus on underserved, vulnerable residents and households earning less than 30% of median income.
- Agency should demonstrate the commitment of long-term leadership necessary to guide the development and prioritize agency resources necessary for a multi-year, large scale development.
- Agency should continue to refine overall organizational priorities, including potential recapitalization and rehabilitation of projects as Agency conducts an overall project portfolio analysis.
- Agency should provide a through and complete development budget and operating budget for the large-scale development as well as a schedule consistent with the overall project design, preconstruction and permitting requirements.
- Agency should provide at least three years of most recent financial statement and a clear explanation of the proposed project's financial impact to overall agency financial stability during the project's long-term development.

Applicant: Downtown Action to Save Housing (DASH)
Project Name: Evergreen Court/Glendale Redevelopment

Funding Request: \$1,000,000 (Secured Grant)
For predevelopment activities

Staff Recommendation: \$0

Project Summary:

Downtown Action to Save Housing (DASH) applied for a \$1,000,000 secured grant for the early feasibility planning and design to redevelop their Evergreen Court and Glendale projects located on NE 8th Street just east of 124th Avenue NE. The proposed project is the redevelopment of two existing projects currently in their portfolio from 162 units into approximately 600 to 800 units of studio, one-bedroom and two-bedroom affordable housing units for seniors and families at 30%, 40% 50%, 60% and 80% AMI.

Evergreen Court and Glendale Apartments are adjacent affordable housing projects owned by DASH that have received past investments from Bellevue and other ARCH member cities, as well as other public funding programs. Both projects are aging and in need of significant rehabilitation. DASH has owned Glendale since the 1990s and Evergreen Court since the early 2000s and operated both as LIHTC projects in partnership with private tax credit investors. Evergreen Court's tax credit investor exited more than five years ago, and Glendale's investor will exit by 12/31/2021. Both properties have ongoing regulatory agreements with various public agencies, as well as outstanding private debt that DASH has worked to refinance over the years.

The current density of 22 units per acre on the combined 7.5 acres is far below transit-supportive densities, and below the expected development capacity of the site. DASH has begun financial modeling and preliminary density and site planning for this large multi-phase site demolition and redevelopment. The first phase of the project will be the demolition of Glendale Apartments and proposed new construction of roughly 370 "affordable and workforce" housing units. The entire project is expected to take up to nine years. DASH has been working with the City for three years to obtain a rezone of the site to increase the number of units that can be built and expects final approvals to be completed in 2022.

DASH anticipates the redevelopment will replace all existing affordable units and provide an additional 300-500 units available to seniors and families earning below 60% AMI. DASH is not anticipating including any units for households coming out of homelessness but has offered that it would take additional rental subsidies to increase the number of units available for 30% AMI households.

DASH will be requesting that all entities with ongoing regulatory agreements, including King County, Department of Commerce, Washington State Housing Finance Commission (WSHFC) and Bellevue/ARCH, agree to amend and replace existing regulatory requirements. DASH will work with the public agencies to extend the covenants with new public funds.

Funding Discussion:

Based on the preliminary nature of the proposal, staff were unable to confirm clear commitments to the funding priorities and populations outlined in the RFP and the conditions set forth in RCW 82.14.530 and are not currently recommending funding at this time. However, staff recognize the significant potential in the proposal, and have committed to exploring further partnership as the project progresses. A future funding application is encouraged.

A future application should address the following issues:

- Agency should propose a project that clearly meets 1590 funding priorities and RCW 82.14.530, including a focus on underserved, vulnerable residents and households earning less than 30% of median income.
- Agency should provide a clear outline of the relocation of the existing residents at Glendale and Evergreen Court, including plans to minimize relocation impacts and provide residents with a right to return, if possible.
- Agency should clearly define not only the replacement of the affordable units lost at Glendale and Evergreen Court but also a commitment to increase the number of very low-income units within the new redevelopment.
- Agency should provide a summary and organizational matrix with roles and responsibilities across its series of affiliations and partnerships, Community Life Foundation, Transforming Age, Full Life Care, Norse Home and SHAG.
- Agency should provide an outline for the selection of the master developer including schedule for selection and potential partners.
- Agency should provide a title report and detailed description of existing encumbrances and covenants on the property, and anticipated requests to current lien holders to release or modify existing restrictions.