



# A Regional Coalition for Housing

*Celebrating 30 years of bringing cities together to house East King County*

Together Center Campus  
16307 NE 83rd St, Suite 201  
Redmond, WA 98052  
(425) 861-3677

## MEMORANDUM

TO: City of Bellevue Council Members

FROM: Kurt Triplett, Chair, ARCH Executive Board

DATE: September 8, 2022

RE: Revised Samma Senior Apartments Housing Trust Fund (HTF) Recommendation

This memo includes a revised funding recommendation from the ARCH Executive Board for the Samma Senior Apartments project. This revises the previous recommendation approved by the ARCH Executive Board in December of 2020.

### Attachments:

1. Proposed Funding Sources

### Imagine Housing Samma Senior Apartments

Funding Request: \$2,500,000

Executive Board Recommendation: \$2,500,000 (Deferred, Contingent Loan – made up of \$2,000,000 in funds donated by Amazon and \$500,000 in ARCH member local funds previously recommended and approved in 2020)  
Additional to \$750,000 in CDBG funds awarded in 2019

Executive Board Recommendation: \$500,000 (Deferred, Contingent Loan)

### Project Summary:

Imagine Housing is proposing a 76-unit affordable 55 and older senior rental project utilizing 4% tax credits and tax-exempt bond financing. The project includes set asides of apartments for disabled persons. The project will be built on land acquired from the City of Bothell at a reduced price. The site is located on the Bus Rapid Transit corridor which is being expanded with ST3 funding. The City has indicated its strong support for the project including zoning changes for increased height and reduced parking. The Samma project will achieve an Ultra High Energy Efficiency (UHEE) rating, which includes highly sustainable materials and design.

## ARCH MEMBERS

BEAUX ARTS VILLAGE ♦ BELLEVUE ♦ BOTHELL ♦ CLYDE HILL ♦ HUNTS POINT ♦  
ISSAQUAH ♦ KENMORE ♦ KIRKLAND ♦ MEDINA ♦ MERCER ISLAND ♦ NEWCASTLE ♦ REDMOND ♦  
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Imagine has made substantial progress working through financing, permitting, site, design and environmental issues, and is poised to start construction in early October on the project. All sources of financing for the project are now secured, including 9% Low Income Housing Tax Credit equity, tax exempt bonds, \$1.6M in Transit Oriented Development funds from King County, and more than \$4.3M from the State Housing Trust Fund, State UHEE funds and State CHIP infrastructure grants. A contribution of \$2 million from Amazon will complete the project's financing and allow the project to move forward without further delay. These funds are proposed to be included in ARCH's loan to maximize the financial benefits to the project.

Funding Rationale:

The Executive Board recommends funding with conditions listed below for the following reasons:

- Aligns with local housing strategy.
- The City of Bothell is excited to support this affordable project through discounting land and having worked collaboratively to address land use issues.
- The project would increase affordability within the revitalized Bothell Landing.
- The project is sited at an excellent location for senior housing, with proximity to a major senior center, planned bus rapid transit, parks and trails, and shopping.
- The project will strive to achieve Ultra High Energy Efficiency.
- The project leverages significant funding from other public and private sources.
- The scale of project fits developer's past track record and capabilities.
- The increased funding amount takes advantage of a private contribution from Amazon.

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo.

Special Conditions:

1. Funds shall be used by the Agency for construction.
2. ARCH's funding commitment shall continue for twelve (12) 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 Agency will provide a status report on progress to date. ARCH staff will consider up to a 12-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the Agency will demonstrate all capital funding is likely to be secured within a reasonable period of time.
3. Funds will be in the form of a deferred, contingent loan. It is anticipated that loan payments will be based on a set repayment schedule and begin after repayment of deferred developer fee with 1% interest. The terms will also include a provision for the Agency to a 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. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Final loan terms shall be determined prior to release of funds and must be approved by ARCH Staff. The terms are expected to include a provision for the Agency to defer payment if certain conditions are met (e.g., low cash flow due to unexpected costs).

4. A covenant is recorded ensuring affordability for at least 50 years, with affordability generally as shown in the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by ARCH staff.

Affordability	Studio	Total
50% AMI	76	76
TOTAL	76	76

5. Agency shall work with City to minimize parking requirements and dependence on private vehicles, but support residents with alternative modes of transportation, including exploring bus vouchers, shared electric bikes and a van.
6. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow the schedule established by ARCH. 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.
7. To demonstrate Agency’s capacity to provide appropriate asset management and property management over its properties, Agency shall:
  - A. Establish and maintain an internal system of complaint tracking including documentation of resolution;
  - B. Provide ARCH with information upon request related to active complaints regarding property conditions and management at existing properties, and implement plans to address verified habitability complaints in a timely manner; and
  - C. Provide regular reporting on implementation to ARCH. No funds will be contracted or disbursed until the ARCH has determined the Agency has sufficient property and asset management capacities and has adequately addressed resident complaints regarding life safety and livability issues.
8. Agency shall maintain the project in good and habitable condition for the duration of period of affordability.

Standard Conditions (Apply to all projects):

1. The Agency shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by ARCH staff. If the Agency is unable to adhere to the budgets, ARCH must be immediately notified and (a) new budget(s) shall be submitted by the Agency for ARCH's approval. ARCH 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 Agency. Failure to adhere to the budgets, either original or as amended may result in withdrawal of ARCH's commitment of funds.
2. The Agency shall submit evidence of funding commitments from all proposed public sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Agency shall immediately notify ARCH, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to ARCH review and approval.
3. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to: contractor solicitation, bidding and selection; wage rates; and Endangered Species Act (ESA) requirements. CDBG funds may not be used to repay (bridge) acquisition finance costs.
4. The Agency shall maintain documentation of any necessary land use approvals and permits required by the city in which the project is located.
5. The Agency shall submit monitoring quarterly reports through completion of the project, and annually thereafter, and shall submit a final budget upon project completion. If applicable, Agency shall submit initial tenant information as required by ARCH.
6. Agency shall maintain the project in good and habitable condition for the duration of period of affordability.

**Attachment 1  
Proposed Funding Sources**

Samma Senior  
Apartments

Bellevue	\$2,062,200*
Bothell	\$8,600
Clyde Hill	\$1,900
Hunts Point	\$500
Issaquah	\$11,800
Kenmore	\$10,700
Kirkland	\$321,600
Medina	\$1,000
Mercer Island	\$5,500
Newcastle	\$4,100
Redmond	\$50,800
Sammamish	\$15,600
Woodinville	\$4,800
Yarrow Point	\$900
	<hr/>
	\$2,500,000
Prior Award	\$750,000
Total Award	\$3,250,000

\*Includes \$2,000,000 contribution from Amazon