

February 16, 2016

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 9065 authorizing the City Manager to enter into an agreement for the Imagine Housing Totem Lake low-income senior apartments in the amount of \$70,000, as recommended by the ARCH (A Regional Coalition for Housing) Executive Board.

STAFF CONTACT

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Department of Planning and Community Development

FISCAL IMPACT

The ARCH Executive Board is requesting Bellevue funding of \$70,000 in general funds for Imagine Housing Totem Lake (Phase 2) low-income senior apartments. The ARCH Executive Board is also recommending, in a separate action this evening, \$50,000 in federal Community Development Block Grant (CDBG) funds for Imagine Housing 30Bellevue low-income apartments at St. Luke's. If approved by Council, the funds would be allocated to these projects from the City's Housing Fund to the ARCH Fund. The City established the Housing Fund in 1991 to fund the creation and preservation of affordable housing for low- and moderate-income households. There is sufficient budget authority for this expenditure.

POLICY ISSUES

Comprehensive Plan:

Bellevue funding for these two projects is consistent with Comprehensive Plan policies HO-20, 22, 25, 26 and 35 that:

- Encourage a range of housing types for seniors at a variety of income levels;
- 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.

BACKGROUND/ANALYSIS

At its January 25, 2016 Study Session the Council stated their support for the recommended projects. The Council approved a motion directing staff to prepare legislation approving the ARCH funding request for Council's consideration and action at an upcoming meeting.

This information was previously provided to Council at the January 25, 2016 Study Session.

ARCH is the entity that receives and reviews applications for the City's available housing dollars. Because ARCH represents many Eastside cities, funds are pooled and made available to the applicants for qualifying projects.

The ARCH Citizen Advisory Board (CAB) reviews the applications 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. Through the spring 2015 application round over \$45 million has been allocated through the ARCH Housing Trust Fund, helping to create over 3,100 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.

Fall 2015 Funding Round

The ARCH CAB and Executive Board reviewed three applications for funding, as described in the ARCH Executive Board December 22, 2015 Housing Trust Fund Recommendation (Attachment 1). Both the CAB and Executive Board recommended two of the three projects for funding at this time. The Parkview XII home for adults with developmental disabilities was not recommended.

Included in this memo is a brief description and funding rationale for the Imagine Housing Totem Lake low-income senior apartments. More detailed information is provided on the fall 2015 round applications, including funding conditions and the Parkview XII home proposal (Attachment 1), other sources of funding (Attachment 3), and allocation of recommended funding amount among ARCH members (Attachment 6). Funding conditions address a range of issues such as duration of affordability (typically 50 years), timing of release of city funds relative to commitment of other funding sources, if the city funds are made in the form of a grant or loan, and other project-specific issues such as providing management plans.

Imagine Housing Totem Lake senior low income apartments (amendment)

Project Summary

Imagine Housing (IH) – an East King County based non-profit corporation – is coming back for additional funding for a project funded through ARCH in 2012, but was stalled for available funding from other sources including Tax Credits. In the initial funding round, ARCH provided \$875,000 including \$250,000 from City of Bellevue (Resolution No. 8510, approved 2/4/2013). The additional funding request is due to holding costs on the land and increased construction costs resulting from not getting full funding earlier.

The agency is proposing a 91 unit new construction project adjacent to Francis Village in the Totem Lake region of Kirkland. The building is five levels of wood construction over one level of structured parking, lobby entrance, lounge, services office, and management spaces. It is designed to serve seniors living independently, aged 62 or over, at 30%, 40% and 50% of Area Median Income (AMI). Twenty percent of the units will be restricted for seniors who have faced homelessness. The unit mix consists of 26 studios, 60 one bedroom and five two bedroom units.

The community space and residential units are designed according to the principles of universal design. It is intended that the residents will be able to continue living in the units even when physical capabilities decline and the units may be adapted (such as changing kitchen cabinets to accommodate) to meet their changing physical needs. The amenity space will have a flexible design to meet the social and physical interests of the population. The property will contain a rooftop garden that will provide passive recreational opportunities as well as gardening and educational opportunities.

Funding Rationale

The CAB and Executive Board supported the intent of this application for the following reasons:

- Development targets range of lower income senior households
- Homeless unit set-asides
- The project expands residential development within the Totem Lake area
- Site has access to transit, shopping and is near a major hospital/medical complex
- Total development cost comparable to other similar projects
- Project leverages a substantial amount of Tax Credit equity
- Applicant has continued to make meaningful progress on advancing the project
- Relatively low per unit ask to ARCH
- Carrying costs and cost increases are justifiable
- Applicant has site control and entitlement process well underway
- Experienced applicant.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately upon Council adoption.

OPTIONS

1. Adopt the Resolution authorizing execution of all documents necessary to enter into an agreement as recommended by the ARCH (A Regional Coalition for Housing) Executive Board for the Imagine Housing Totem Lake low-income senior apartments in the amount of \$70,000 utilizing general funds from the City's Housing Fund.
2. Do not adopt the Resolution and provide alternative direction to staff.

RECOMMENDATION

Option 1.

MOTION

Move to adopt Resolution No. 9065 authorizing execution of all documents necessary to enter into an agreement as recommended by the ARCH (A Regional Coalition for Housing) Executive Board for the Imagine Housing Totem Lake low-income senior apartments in the amount of \$70,000 utilizing general funds from the City's Housing Fund.

ATTACHMENTS

- Attachment 1. ARCH Executive Board December 22, 2015 Housing Trust Fund Recommendation
- Attachment 2. Proposed Resolution No. 9065