

February 16, 2016

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 9070 authorizing the City Manager to enter into an agreement for Imagine Housing 30Bellevue low-income apartments at St. Luke's in the amount of \$50,000, 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 \$50,000 for Imagine Housing 30Bellevue low-income apartments at St. Luke's. The ARCH Executive Board is also recommending, through a separate action this evening, \$70,000 in general funds for Imagine Housing Totem Lake (Phase 2) low-income apartments. 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. They also supported the recommendation for a partial award for 30Bellevue for the applicant to address identified issues, including site and parking. Councilmembers requested additional consideration for units serving persons with developmental disabilities, and three-bedroom units to serve larger families. Councilmember Robinson noted the need for emergency shelter for women and children. 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 Imagine Housing 30Bellevue low-income apartments at St. Luke's. More detailed information is provided on the fall 2015 round applications, including proposed 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 30Bellevue low income apartments at St. Luke's

Project Summary

IH is proposing a 60+ unit building co-located with St. Luke's Lutheran Church, which also houses the Sophia's Place homeless shelter for women. The proposed building is two and four levels of wood construction over one level of structured parking. The project features a lobby, leasing office, computer room/library, community gathering room, children's play area and counseling offices.

The project targets households earning below 30%, 40% and 60% of median income. Twenty percent of the units are proposed to be set aside for homeless and another 20% of the units are

proposed to be set aside for households with disabilities. Imagine Housing is also exploring the feasibility of three bedroom units.

Funding Rationale

The CAB and Executive Board recognize that this application for funding is early, and that a number of details are still being considered. Therefore, an award for predevelopment work is recommended with a requirement to apply for the balance of funding in a future round.

The CAB and Executive Board supported this application and recommends partially funding for predevelopment and acquisition costs for the following reasons:

- Development targets range of lower income family households including set asides for homeless and disabled
- Church and applicant have worked with city and neighborhood in process of applying for and receiving comprehensive and zoning updates for the site
- Site has access to transit, shopping and is near a highway interchange
- Contributes to distributing affordable housing throughout the community
- Site could accommodate children's play areas
- Project leverages a substantial amount of Tax Credit equity
- Applicant has site control with a patient seller
- Proposed uses of funding are eligible uses of CDBG funding for affordable housing
- 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 30Bellevue low-income apartments at St. Luke's in the amount of \$50,000 utilizing federal Community Development Block Grant (CDBG) funds.
2. Do not adopt the Resolution and provide alternative direction to staff.

RECOMMENDATION

Option 1.

MOTION

Move to adopt Resolution No. 9070 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 30Bellevue low-income apartments at St. Luke's in the amount of \$50,000 utilizing federal Community Development Block Grant (CDBG) funds.

ATTACHMENTS

- Attachment 1. ARCH Executive Board December 22, 2015 Housing Trust Fund Recommendation
- Attachment 2. Resolution No. 9070