

**CITY COUNCIL REGULAR SESSION**

Resolution authorizing assignment of the City's rights to the 2017 Housing Trust Fund grant awarded to the City by the Washington State Department of Commerce (Commerce) to the King County Housing Authority for the preservation of Highland Village Apartments in the amount of \$1,545,000.

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*Community Development*

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**EXECUTIVE SUMMARY**

The King County Housing Authority (KCHA) acquired the Highland Village Apartments in 2016, and as part of the funding, the state legislature appropriated \$1,545,000 from the State Housing Trust Fund to the City for the preservation of Highland Village. As the grant recipient, the City would be responsible for contracting with Commerce for the grant and administering the funds to KCHA. Commerce allows and the City may assign its rights to the award. Assignment would allow Commerce and KCHA to contract directly, which is pragmatic as KCHA owns, manages, and is undertaking the rehabilitation of Highland Village. The assignment will transfer all of the City's interest in the State Housing Trust Fund Award to KCHA.

**RECOMMENDATION**

Move to adopt Resolution No. 9513.

If approved, effective date: 12/10/2018

**BACKGROUND/ANALYSIS**

In the Summer of 2016, KCHA negotiated to purchase the Highland Village Apartments, which provides affordable housing to Bellevue families. This action was prompted by the announcement of a pending sale of the property to a developer who intended to redevelop the property with market-rate townhomes. Several public entities are required to fund the project, including the City, King County, and the State of Washington. Acquisition and funding information related to the Highland Village Apartments was provided to Council on September 19, 2016 and May 15, 2017.

In 2017, as part of the acquisition funding package, the state legislature appropriated \$1,545,000 for preservation of the Highland Village Apartments. As a way to expedite the transaction, KCHA asked that the City be named as the recipient of the funds. As the grant recipient, the City would be responsible for contracting with Commerce and administering the funds. Commerce, however, offered that the City could assign the award of funding and the contract to KCHA so that the funding contract would be directly between KCHA and Commerce. This would be in-lieu of Commerce contracting directly with the City and then the City subcontracting directly with KCHA. Staff recommends that the City assign its rights to the grant award to KCHA allowing the grant contracting to occur directly between Commerce and KCHA, since KCHA is the entity that owns, manages, and is rehabilitating

Highland Village.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

Comprehensive Plan: Assigning this award is consistent with Comprehensive Plan policies HO-21, 22, 25, and 26 that:

- Address the entire spectrum of housing needs, including the need for affordable housing for very low, low, and moderate-income households;
- Promote regional cooperation to create affordable housing;
- Provide funding to support housing needs, especially for low and very low-income households; and
- Partner with not-for-profit agencies to provide permanent low-and moderate-income housing.

### **Fiscal Impact**

There is no fiscal impact associated with assigning the grant contract and doing so avoids additional administration costs associated with subcontracting with KCHA.

## **OPTIONS**

1. Adopt the Resolution authorizing assignment of the City's rights to the 2017 Housing Trust Fund grant awarded to the City by the Washington State Department of Commerce (Commerce) to the King County Housing Authority for the preservation of Highland Village Apartments in the amount of \$1,545,000.
2. Do not adopt the Resolution and provide alternative direction to staff.

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

Proposed Resolution No. 9513

## **AVAILABLE IN COUNCIL LIBRARY**

N/A