

April 3, 2017

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution authorizing the City Manager to enter into an agreement for the Imagine Housing 30Bellevue low-income apartments in the amount of \$356,084, as recommended by the ARCH (A Regional Coalition for Housing) Executive Board.

STAFF CONTACTS

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FISCAL IMPACT

The ARCH Executive Board is requesting Bellevue funding of \$356,084 for 30Bellevue low-income apartments. The ARCH Executive Board is also recommending, in a separate action this evening, \$213,883 for Imagine Housing Esterra Park 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 are sufficient resources in the City's 2017-2018 Housing Trust Fund Budget to support this expenditure.

POLICY CONSIDERATION

Comprehensive Plan:

Bellevue funding for these two projects is consistent with Comprehensive Plan policies HO-21, 22, 25, 26 and 35 that:

- Address the entire spectrum of housing needs, including the need for housing affordable to very low, low, and moderate income households;
- 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

At its March 27 Study Session the Council reviewed the proposed funding for the recommended projects and directed staff to prepare legislation for Council's consideration and action at an upcoming meeting.

The following information was previously provided to Council at the March 27 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 of 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 2015 application round, over \$46 million has been allocated through the ARCH Housing Trust Fund, helping to create over 3,200 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 2016 Funding Round:

The ARCH CAB and Executive Board reviewed and recommended funding for two applications, as described in the ARCH Executive Board January 6, 2017 Housing Trust Fund Recommendation (Attachment A). For the 30 Bellevue project, ARCH funding totaling \$832,429 is recommended, which includes a \$400,000 contingency to cover potential shortfall in Tax Credit Pricing (as mentioned above, Bellevue's portion of this project is \$356,084). This amount is in addition to ARCH funding of \$442,571 approved in 2016 (including \$50,000 from the City of Bellevue Res. 9070, 2/16/2016). These funds are in addition to recommended ARCH funding totaling \$500,000 (\$213,883 from the City) for Esterra Park, which also is being presented to Council at the April 3 Study Session.

Included in this memo are brief descriptions and funding rational for the Imagine Housing 30Bellevue low-income apartments. More detailed information is attached including proposed funding conditions (Attachment A). 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

Project Summary:

The revised proposal is for a 62-unit family rental project to serve households at 30 percent, 40 percent and 60 percent of Area Median Income (AMI). Up to 50 percent of the units (31 units) are set aside for homeless individuals and households and up to 20 percent of the units are set aside for disabled residents (13 units). Ten of the disabled units set-aside will overlap with units set aside for the homeless. The revised proposal also includes ten 3-bedroom units. Imagine Housing is requesting an additional 20 Housing Choice vouchers to help cover operational and debt service costs. Eight Housing Choice vouchers were awarded in the 2015 round.

The site is on Bellevue Way in Northwest Bellevue near the interchange between I-405 and SR 520, and is within the walkshed of the South Kirkland Park and Ride. The proposed building is a mix of two and four levels of wood construction over one level of structured parking, management office, service provider space and elevator lobby. A roof garden will be provided on the three-story portion.

Funding Rationale:

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

- Development targets range of lower income households
- Homeless unit set-asides
- Is responsive to the issues raised during review of the initial application such as incorporating more 3-bedroom units and including units for developmentally disabled individuals
- The project expands residential development within the Northwest Bellevue area
- Church and applicant have worked with city and neighborhood for comprehensive plan and zoning updates for the site
- Site has access to transit and shopping
- 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
- Applicant has site control and entitlement process is underway
- Experienced applicant

EFFECTIVE DATE

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

OPTIONS

1. Adopt the Resolution authorizing the City Manager to enter into an agreement for the Imagine Housing 30Bellevue low-income apartments in the amount of \$356,084, as recommended by the ARCH (A Regional Coalition for Housing) Executive Board.
2. Do not adopt the Resolution and provide alternative direction to staff.

RECOMMENDATION

Option 1

MOTION

Move to adopt Resolution No. 9251 authorizing the City Manager to enter into an agreement for the Imagine Housing 30Bellevue low-income apartments in the amount of \$356,084, as recommended by the ARCH (A Regional Coalition for Housing) Executive Board.

ATTACHMENTS

A. ARCH Executive Board January 6, 2017 Housing Trust Fund Recommendation
Proposed Resolution No. 9251

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N/A