



City of Bellevue

Affordable Housing Capital Investment Requests

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Direction from Council

Direction on requests for capital funding for three projects: Eastside Men's Shelter, Eastgate Supportive Housing, and Illahee Apartments.

Agenda



Funding Requests



Available City Resources



City Policy Direction/Priorities



Eastside Men's Shelter



Supportive Housing



Illahee Apartments

Summary of Funding Requests

Project	Sponsor	Funding Amount
Eastside Men's Shelter	Congregations for the Homeless	\$3.6M
Eastgate Supportive Housing	Plymouth Housing	\$400K
Illahee Apartments Preservation	King County Housing Authority	\$4.0M
		Total: \$8.0M

Available City Funding

Total requests: \$8.0 M

\$12.4 M currently available for housing/related uses, excluding HB 1590 sales tax revenues

- \$7.0 M in CIP affordable housing contingency funds
- \$3.4 M from in-lieu fees for BelRed affordable housing
- \$800K in HB 1406 sales tax revenues
- \$1.2 M in other balances, such as ARCH loan repayments

**Additional Affordable Housing Council Contingency CIP,
HB 1406 funds and HB 1590 funds available moving forward**

City Policy Direction/Priorities

Proposed funding for projects advances several strategies:

- Work toward an Eastside solution for a permanent men's shelter
- Create more deeply affordable housing
- Increase development on land owned by public agencies
- Tap into state, county and local funding, and pursue private funding partnerships
- Partner to preserve affordable multifamily housing



City of Bellevue
Affordable Housing Strategy

Approved by City Council
June 5, 2017



Eastgate Master Development



Eastside
Men's
Shelter



Eastgate
Supportive
Housing



Polaris at
Eastgate
Workforce
Housing

Eastside Men's Shelter

Background:

- 100-bed year-round emergency shelter for homeless men
- Years of work by Congregations for the Homeless (CFH) to site and develop permanent shelter
- Previous awards by ARCH cities for site selection, pre-development and construction (Bellevue's portion \$612K)
- Conditional use permit process underway generating additional design considerations
- City support for temporary location at Lincoln Center
- \$13.4M already committed from State, County, local funds and CFH capital campaign



Polaris Workforce Housing

Background:

- CFH site selection for shelter resulted in 10+ acre opportunity to create continuum of housing opportunities
- CFH selected Inland Group as its master development partner
- 360 units of workforce housing at 50-60% AMI
- Over half 2-bedroom and 3-bedroom units
- Early support from ARCH cities (Bellevue portion \$263K, which is no longer needed)
- Total of \$137M in other public and private funding committed (bonds, tax credit equity, and \$8M from King County)



Eastgate Supportive Housing

Background:

- 95-unit permanent supportive housing project for homeless individuals
- Plymouth Housing selected as the final master development partner
- Partnership with CFH and Sophia Way to serve men and women referred from Eastside shelters that need supportive housing
- Previous award of \$500K by ARCH cities (\$62K from Bellevue)
- Total of \$28.5M already committed from State, County, local funds and private Low Income Housing Tax Credit equity



Eastside Men's Shelter

Committed funds to date: \$13.4 M, prior to cost increases

Recent cost increases: +\$5.7 M

- \$3.6 M requested from City
- \$2.1 M from State/County

Drivers for cost increases

- Significant material cost increases
- Labor rates increases
- New Energy Code requirements
- Reduced master development plan synergies/schedule delays
- Good Neighbor Agreement adds
- Associated sales tax and contingency



Funding Outcome: Completes permanent year-round 100-bed shelter; supports Good Neighbor Agreement enhancements



Direction from Council

Move to direct staff to return with appropriate legislation to award \$3.6 Million to the Eastside Men's Shelter for final action at an upcoming Council meeting.

Eastgate Supportive Housing

Committed funds to date: \$28.5 M, prior to cost increases

Recent cost increases: +\$3.1 M

- \$400 K requested from City
- \$2.7 M from State/County

Drivers for cost increases

- Significant material cost increases
- Drywall scope changes/wage rates
- Plumbing wage rates
- HVAC wage increases/Energy Code
- Electrical scope increases/Energy Code
- Additional security features
- Stormwater detention system revisions
- Associated sales tax and contingency



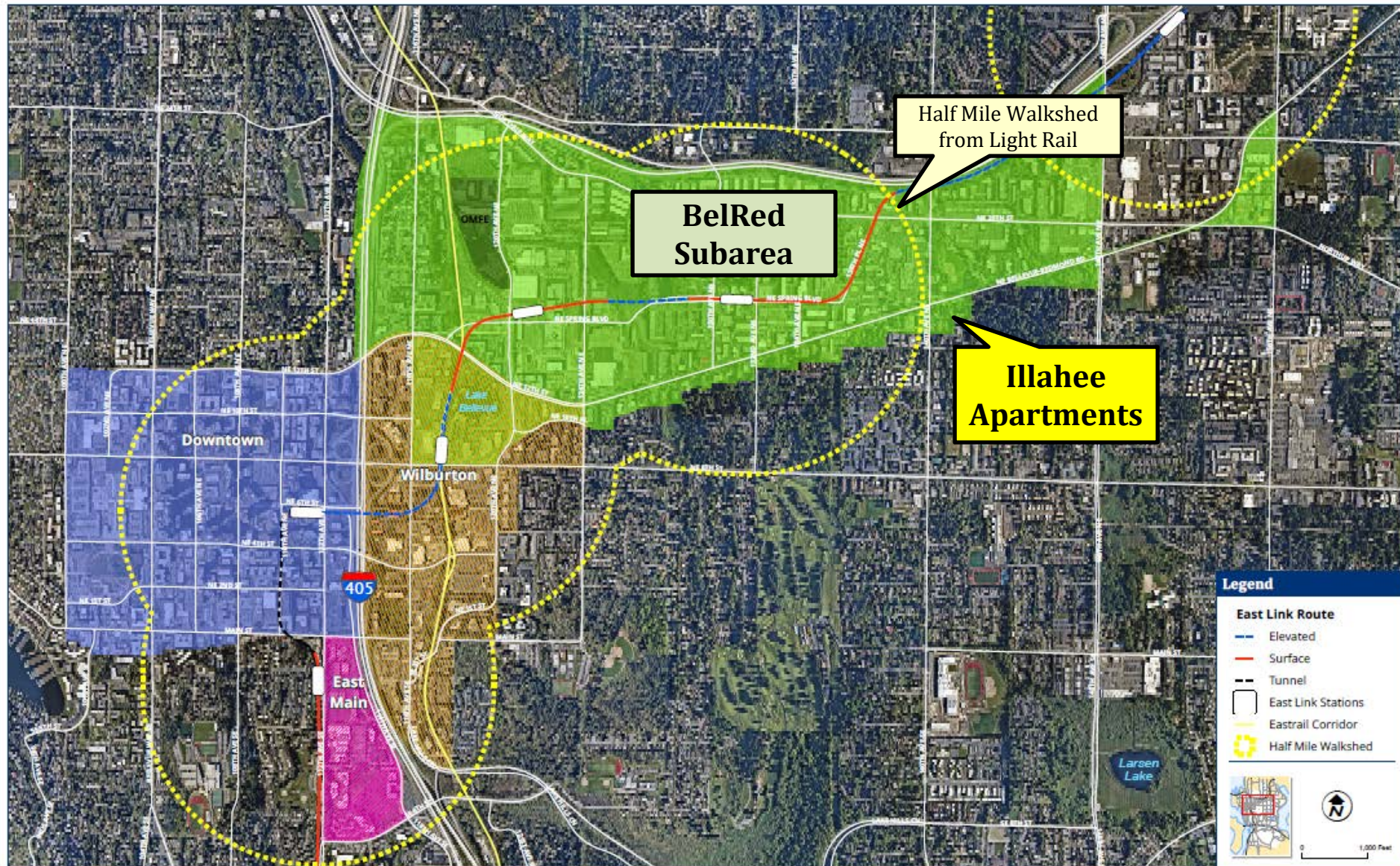
Funding Outcome: Creates 95-unit permanent supportive housing project to serve homeless individuals referred from Eastside shelters



Direction from Council

Move to direct staff to return with appropriate legislation to award \$400,000 to the Eastgate Supportive Housing for final action at an upcoming Council meeting.

Illahee Apartments Acquisition



Illahee Apartments Acquisition

Background:

- 36-unit in BelRed Subarea
 - 24 one-bedroom and 12 two-bedroom units
 - Below market rents; average \$1,378
- Property marketed for sale as redevelopment opportunity
- Acquired by King County Housing Authority to preserve housing and prevent displacement of current residents



Illahee Apartments Acquisition

Background (continued):

- Vacant units currently prioritized for homeless families referred by Bellevue School District/Youth Eastside Services
- Units will be converted to public housing supported by federal operating subsidy
- No residents will be required to relocate



Illahee Funding Request

Funding Sources:

\$4.0 M commitment from Amazon

\$4.0 M requested from City

\$2.8 M from KCHA /other funding source

\$10.8 M total acquisition

Funding Outcomes:

- Preserves affordable homes, prevents displacement of existing Bellevue residents
- Provides immediate housing opportunity for homeless families
- Creates long-term deeply affordable housing with permanent federal operating subsidy



Direction from Council

Move to direct staff to return with appropriate legislation to award \$4.0 Million to the Illahee Apartments Preservation for final action at an upcoming Council meeting.