



A Regional Coalition for Housing

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Memo

To:

City of Bellevue Council Members	City of Medina Council Members
City of Bothell Council Members	City of Mercer Island Council Members
City of Clyde Hill Council Members	City of Newcastle Council Members
Town of Hunts Point Council Members	City of Redmond Council Members
City of Issaquah Council Members	City of Sammamish Council Members
City of Kenmore Council Members	City of Woodinville Council Members
City of Kirkland Council Members	Town of Yarrow Point Council Members

From: Nathan McCommon, ARCH Executive Board Chair

Date: December 18, 2025

Re: Fall 2025 Housing Trust Fund (HTF) Recommendation

Please find enclosed the ARCH Executive Board's funding recommendations for the 2025 ARCH Housing Trust Fund (HTF) round. ARCH received \$14.8M in funding requests and is advancing \$4.6M in recommended awards. Applications were reviewed and considered based on the priorities adopted by the Executive Board for the 2025 round, which are aligned with ARCH's Strategic Plan to *Build More Affordable Housing Faster*. These recommendations are also closely coordinated with additional local investments made by individual ARCH member jurisdictions.

The Executive Board is recommending funding for seven projects, including full funding for three projects and partial funding for four projects. The \$4.6M in recommended funding includes approximately \$4M in local funds and \$616,000 in CDBG funds allocated through ARCH.

This memo provides a summary of the applications, the Executive Board recommendations and rationales, and proposed contract conditions for the **seven** proposals recommended for funding at this time. Also enclosed is an economic summary of the projects recommended for funding.

Attachments:

1. Proposed Funding Sources
2. ARCH Award Standard Conditions
3. Project Economic Summaries

Note that bold text in proposed special conditions shows unique conditions in otherwise standard

**Beaux Arts Village • Bellevue • Bothell • Clyde Hill • Hunts Point
Issaquah • Kenmore • Kirkland • Medina • Mercer Island
Newcastle • Redmond • Sammamish • Woodinville • Yarrow Point • King County**

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1. BRIDGE - Bothell Urban (Lot P)

2025 Funding Request: \$1,500,000 (Contingent Loan)
200 Affordable Rental Units and 1 Common Area Unit

2025 Executive Board Recommendation: \$1,500,000 (Contingent loan)

Project Summary

BRIDGE Housing has partnered with Bothell United Methodist Church (“BUMC”) to provide an estimated 201 permanently affordable rentals at 30%, 50% and 60% AMI. Over 50% of the proposed homes are family-sized units with two and three bedrooms, and half of the units are planned to be affordable to very low income households earning 30% or 50% AMI. The current proposal does not include any special needs set-asides or rental subsidies. This is the second year ARCH has received a funding application for the project.

The project will be located on a 1.67-acre site known as Lot P in the heart of downtown Bothell. The site is currently owned by the City of Bothell, which has approved transferring the site at no cost to the partnership comprised of BRIDGE Housing and BUMC. BUMC plans to operate a 6,000 sf Community Center on the ground floor of the site which will provide space for community and human services organizations to provide services open to the public. The project plans include 209 parking spaces (1.03 stalls per unit), bike storage, community rooms, a south-facing outdoor terrace, resident services office, EV charging stations, and an outdoor playground. Residents will have access to the local amenities of downtown Bothell and to a new Bus Rapid Transit line that will provide quick access to the Shoreline light rail station and the I-405 corridor.

Funding Rationale

The Executive Board recommends funding the project with conditions listed below for the following reasons:

- The project delivers a significant amount of affordable housing with a proposed construction start by early 2027.
- The proposed financing provides the highest local funding leverage rate of all 2025 applications and is expected to be competitive for bonds/tax credit financing in 2026.
- The development also leverages donated land from the City of Bothell and advances the City’s affordable housing priorities by providing much-needed low-income housing.
- The project is cost effective with a relatively low total development cost per unit.
- The project is well-located in walking distance to a range of amenities and high capacity transit.
- The development team is comprised of an experienced affordable housing developer with a proven track record of success and a local church that will maintain an active community presence in the project throughout the development and operation of the project.
- The project must proceed this year in order to leverage proposed Low Income Housing Tax Credits.

Proposed Conditions

Standard Conditions: See Attachment 2 ARCH Award Standard Conditions

Special Conditions:

Prior to Contracting

- a. The funding commitment shall continue for **twenty-four (24) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider subsequent 12-month extensions only based on documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant must demonstrate that all capital funding has been secured or is likely to be secured within a reasonable timeframe.
- b. Funds will be in the form of a **deferred, contingent loan**. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Agency shall provide final operating proforma and cashflow waterfall for ARCH staff review. Final loan terms shall be determined prior to release of funds and must be approved by ARCH Staff. It is anticipated that loan payments will be based on a set repayment schedule and begin after the repayment of the Amazon loan and the deferred developer fee with 1% interest. The terms will also include a provision for the Agency to defer payment if certain conditions are met (e.g., low cash flow due to unexpected costs). Any requested deferment of loan payment is subject to approval by ARCH staff, and any deferred payment would be repaid from future cash flow or at the end of the amortization period.
- c. A covenant is recorded ensuring affordability for at least 55 years, with size and affordability distribution per the following table. Changes may be considered based on reasonable justification as approved by ARCH staff (such as changes to accommodate income averaging across the project).

Affordability	1BR	2BR	3BR	Total
30%	10	5	5	20
50%	30	25	25	80
60%	60	19	21	100
Total Low-Income Units	100	49	51	200
CAU/ Manager Units	-	1	-	1
Total Units	100	50	51	201

2. Hopelink/SRM - Altaire at East Main

2025 Funding Request: \$1,000,000 (Contingent Loan)
145 Affordable Rental Units and 1 Common Area Unit

2025 Executive Board Recommendation: \$500,000 (Contingent loan)

Project Summary

The Altaire at East Main project aims to provide approximately 145 affordable rental apartments and one on-site manager unit, with a mix of one-bedroom plus den, two-bedroom, and three-bedroom homes affordable to households earning 30%, 40%, 50%, and 60% AMI. The project will include units designated for families exiting homelessness.

This is the second year ARCH has received a funding application for the project. SRM previously explored co-locating a smaller housing project with a local kids museum, but has adjusted the project design to accommodate more housing. The site is adjacent to another residential development constructed by SRM that includes affordable units through the City of Bellevue's Multifamily Tax Exemption (MFTE) program.

The building will include resident amenity spaces and on-site services to support housing stability and foster a strong sense of community. The site is near the Wilburton Park & Ride, Mercer Slough and just over a half mile from the East Main light rail station, south of downtown Bellevue. The project will be developed through a partnership with private developer SRM Development and Hopelink. SRM will bring their multifamily development, construction and property management experience to the partnership, while Hopelink brings the case management and supportive services experience to the ownership structure.

Funding Rationale

The Executive Board recommends funding with conditions listed below for the following reasons:

- The project delivers a significant number of affordable housing units, with roughly half family-sized 2BR and 3BR units, and an anticipated construction start in the 4th quarter of 2026.
- ARCH dollars leverage significant public and private funding, with a proposed \$192 for every \$1 of ARCH funding.
- The project provides permanent housing and supportive services for a significant number of families exiting homelessness through a partnership with an experienced local service provider.
- The project advances the City's affordable housing priorities by providing much needed low-income housing.
- The development team is comprised of an experienced real estate developer/general contractor and a strong, community based supportive service provider.

Proposed Conditions

Standard Conditions: See Attachment 2 ARCH Award Standard Conditions

Special Conditions:

Prior to Contracting

- a. The funding commitment shall continue for **twenty-four (24) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider subsequent 12-month extensions only based on documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant must demonstrate that all capital funding has been secured or is likely to be secured within a reasonable timeframe.
- b. Funds will be in the form of a **deferred, contingent loan**. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Agency shall provide final operating proforma and cashflow waterfall for ARCH staff review. Final loan terms shall be determined prior to release of funds and must be approved by ARCH Staff. It is anticipated that loan payments will be based on a set repayment schedule and begin after the repayment of the Amazon loan and the deferred developer fee with 1% interest. The terms will also include a provision for the Agency to defer payment if certain conditions are met (e.g., low cash flow due to unexpected costs). Any requested deferment of loan payment is subject to approval by ARCH staff, and any deferred payment would be repaid from future cash flow or at the end of the amortization period.
- c. A covenant is recorded ensuring affordability for at least 55 years, with size and affordability distribution per the following table. Changes may be considered based on reasonable justification as approved by ARCH staff (such as changes to accommodate income averaging across the project).

Affordability	1BR	2BR	3BR	Total
30%	5	3	0	8
40%	5	4	0	9
50%	6	7	7	20
60%	57	43	8	108
Total Low-Income Units	73	57	15	145
CAU/Manager Units	0	1	0	1
Total Units	73	58	15	146

3. Imagine Housing- Forest Edge

2025 Funding Request: \$2,000,000 (Contingent Loan)
100 Affordable Rental Units

2025 Executive Board Recommendation: \$500,000 (Contingent Loan)

Project Summary

The Forest Edge development is a partnership of Imagine Housing and Saint Andrews Lutheran Church, whose members were the original founders of Imagine Housing. The project includes approximately 100 units of new construction affordable rental units to be developed on an underutilized portion of the SALC property in Bellevue. This project will be one of the first to utilize Bellevue's C-1 land use code allowing affordable housing to be expanded on faith-owned property. The project will include studios, one-bedroom, two-bedroom, and three-bedroom homes affordable at 60% AMI.

The development will include onsite parking, an onsite resident service coordinator, and units dedicated for households with disabilities. This project creates workforce housing options in southeast Bellevue with easy access to schools, Bellevue College, grocery stores, and other amenities.

Funding Rationale

The Executive Board recommends funding with conditions listed below for the following reasons:

- The project delivers a significant number of affordable housing units, with an anticipated construction start in the 4th quarter of 2026.
- The project advances Bellevue's first development using their C-1 incentive for increased density on faith-owned land.
- The project includes 25 units for households with disabilities through the use of the City of Bellevue's Housing Stability Program funding.
- The project takes advantage of underutilized land owned by a local church with a long-term commitment to the creation and sustainable operation of affordable housing.

Proposed Conditions:

Standard Conditions: See Attachment 2 ARCH Award Standard Conditions.

Special Conditions:

Prior to Contracting

- a. The funding commitment shall continue for **twenty-four (24) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider subsequent 12-month extensions only based on documented,

meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant must demonstrate that all capital funding has been secured or is likely to be secured within a reasonable timeframe.

- b. Funds will be in the form of a **deferred, contingent loan**. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Agency shall provide final operating proforma and cashflow waterfall for ARCH staff review. Final loan terms shall be determined prior to release of funds and must be approved by ARCH Staff. It is anticipated that loan payments will be based on a set repayment schedule and begin after the repayment of the proposed Amazon loan and deferred developer fee with 1% interest. The terms will also include a provision for the Agency to defer payment if certain conditions are met (e.g., low cash flow due to unexpected costs). Any requested deferment of loan payment is subject to approval by ARCH staff, and any deferred payment would be repaid from future cash flow or at the end of the amortization period.
- c. A covenant is recorded ensuring affordability for at least 55 years, with size and affordability distribution per the following table. Changes may be considered based on reasonable justification as approved by ARCH staff (such as changes to accommodate income averaging across the project).

Affordability	Studios	1BR	2BR	3BR	Total
60%	20	32	27	21	100
Total Units	20	32	27	21	100

- d. Agency must demonstrate development capacity by 2/28/26 to continue to advance the project including: project design and permitting; construction contract negotiation; securing and negotiating project financing; development accounting; and construction management.

4. Habitat for Humanity - Orchard Gardens

2025 Funding Request:	\$1,125,000 (Secured Grant) 25 Affordable Homeownership Units
2025 Executive Board Recommendation:	\$1,116,000 (\$500,000 from ARCH HTF local funds and \$616,000 in CDBG funds recommended by ARCH and contracted by King County)
2023 ARCH Award:	\$600,000
Total Recommended Award:	\$1,716,000

Project Summary

This Orchard Gardens proposal will create twenty-five (25) new permanently affordable ownership homes for households earning up to 80% of the area median income. Each home will have three-bedrooms with on-site parking. Habitat for Humanity purchased the 3.13 acre property from the Holy Cross Lutheran Church in December 2024 and is finalizing permits with the City of Bellevue. The development includes preservation of an existing community garden, apple orchard and green spaces for the benefit of the community. The property is located in Bellevue's Newport neighborhood near schools, transit, the Factoria shopping center, and employment centers. ARCH provided an initial award to the project in the 2022 funding round. Since then, changes in interest rates and construction costs have led to a need for additional funding.

Ownership Model: Habitat employs a community land trust model to preserve long-term affordability, retaining ownership of the land and selling homes to eligible buyers through ground leases. When homeowners decide to sell, Habitat has a right of first refusal wherein Habitat will purchase the home, perform any necessary rehabilitation, and find an income-qualified buyer before reselling, thus, preserving long term affordability.

Funding Rationale

The Executive Board recommends funding with conditions listed below for the following reasons:

- Creates 25 new permanently affordable homeownership opportunities for households earning up to 80% AMI in Bellevue where median home prices exceed \$1 million. Such opportunities are rare and allow households with modest incomes to achieve stability through homeownership.
- Helps close a funding gap on a project with a previous ARCH award that is ready to start construction in 2026.
- Habitat's sweat equity model allows volunteers and potential buyers to gain valuable skills and experience in homebuilding, while allowing for cost savings when compared to traditional construction.
- Habitat's land trust model ensures perpetual affordability, which is especially important in a high cost, high growth city like Bellevue.

- Habitat’s approach to marketing helps to address historic barriers to home ownership and preserve cultural diversity in the community.

Proposed Conditions

The following 2025 Special Conditions and Standard Conditions are intended to supersede all conditions included in the 2023 award.

Standard Conditions: See Attachment 2 ARCH Award Standard Conditions.

Special Conditions:

Prior to Contracting

- The funding commitment shall continue for **twelve (12) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider subsequent 12-month extensions only based on documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant must demonstrate that all capital funding has been secured or is likely to be secured within a reasonable timeframe.
- Funds will be in the form of a **secured grant**. Agency shall provide final operating proforma and cashflow waterfall for ARCH staff review. Final grant terms shall be determined prior to release of funds and must be approved by ARCH Staff.
- A covenant is recorded ensuring affordability for at least 55 years, with size and affordability distribution per the following table. Changes may be considered based on reasonable justification as approved by ARCH staff .

Affordability	3BR	Total
80%	25	25
Total Units	25	25

- A third-party cost estimate must be reviewed and approved by ARCH staff as a condition of the ARCH funding award.
- Construction contracts for work to be performed by outside vendors must be reviewed and approved by ARCH staff.

5. PorchLight – Kirkland House

2025 Funding Request:	\$462,600 (Secured Grant) 6 Affordable Rental Units
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2025 Executive Board Recommendation:	\$212,600
Additional City of Kirkland Investment:	\$250,000
Total Recommended Award:	\$462,600

Project Summary

The Kirkland House has been providing permanent supportive housing to three formerly homeless individuals in an existing single-family home since 2020 when PorchLight acquired the property. PorchLight is seeking funding to rehabilitate the property and add three additional bedrooms and one additional bathroom to serve a total of six individuals. The home has easy access to public transit, grocery stores and other amenities within walking distance.

The proposed rehabilitation of the existing home includes a new roof, improved landscaping with outdoor seating areas for residents, new fencing around the property, repaving the driveway, installation of a new garage door, new windows, and re-siding the structure with Hardie plank and a weather barrier wrap. The interior rehabilitation includes installing energy saving fixtures and appliances, an all-weather heat pump system, exhaust fans in the bathrooms and kitchen, fire safety system improvements, and the replacement of flooring, cabinets, and countertops.

Funding Rationale

The Executive Board recommends funding with conditions listed below for the following reasons:

- The project preserves and expands an existing permanent supportive housing program serving people exiting homelessness.
- The project compliments the applicant's shelter program and will help offer stability to individuals accessing emergency shelter on the Eastside.
- If fully funded this round, the project anticipates construction start in 2026 and occupancy in 2027, providing timely housing opportunities.
- The project team includes an experienced development consultant and service provider with years of experience operating this program model.

Proposed Conditions

Standard Conditions: See Attachment 2 ARCH Award Standard Conditions.

Special Conditions:

Prior to Contracting

- a. The funding commitment shall continue for **twelve (12) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that

time, the applicant will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider subsequent 12-month extensions only based on documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant must demonstrate that all capital funding has been secured or is likely to be secured within a reasonable timeframe.

- b. Funds will be in the form of a **secured grant**. Agency shall provide final operating proforma for ARCH staff review. Final grant terms shall be determined prior to release of funds and must be approved by ARCH Staff.
- c. A covenant is recorded ensuring affordability for at least 55 years, with size and affordability distribution per the following table. Changes may be considered based on reasonable justification as approved by ARCH staff (such as changes to accommodate income averaging across the project).

Affordability	Beds	Total
30%	3	3
50%	3	3
Total Units	6	6

Ongoing Requirement through Period of Affordability

- a. The property will establish and fund a 6-month operations reserve account upon ARCH award contracting.

6. YWCA – Family Village Redmond

2025 Funding Request: \$1,897,052 (Contingent Loan)
20 Affordable Rental Units

2025 Executive Board Recommendation: \$626,700
Additional City of Redmond Investment: \$350,000
Total Recommended Award: \$976,700

Project Summary:

YWCA Family Village Redmond (FVR) project was built in 1993 and is a single, four-story building with 20 two-bedroom and three-bedroom units of permanent supportive housing. FVR's target population is homeless and chronically homeless families with children under the age of 18 and income at or below 30% AMI. Residents receive individual case management services and referrals

to a variety of other resources. The property is located in downtown Redmond, near schools, grocery stores, transit including the new light rail line, and employment opportunities.

The proposed funding will help to ensure the long-term preservation of the housing, including addressing existing water intrusion, and enhancing safety and livability through replacement and repair of the exterior and elevator modernization. All work is expected to be completed with residents continuing to occupy their units. ARCH has not previously funded this property.

Funding Rationale

The Executive Board recommends funding with conditions listed below for the following reasons:

- The project supports critical rehabilitation and preservation of existing, family-sized 30% AMI units for families exiting homelessness.
- The project allows units to remain occupied with existing residents.
- A local ARCH award will enable the project to be highly competitive for State and County preservation funding rounds expected to be released in early 2026.

Proposed Conditions

Standard Conditions: See Attachment 2 ARCH Award Standard Conditions.

Special Conditions:

Prior to Contracting

- a. The funding commitment shall continue for **twelve (12) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider subsequent 12-month extensions only based on documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant must demonstrate that all capital funding has been secured or is likely to be secured within a reasonable timeframe.
- b. Funds will be in the form of a **secured grant**. Final grant terms shall be determined prior to release of funds and must be approved by ARCH Staff.
- c. A covenant is recorded ensuring affordability for at least 55 years, with size and affordability distribution per the following table. Changes may be considered based on reasonable justification as approved by ARCH staff (such as changes to accommodate income averaging across the project).

Affordability	2BR	3BR	Total
30%	17	3	20
Total Units	17	3	20

- d. Applicant will make Family Village Redmond their top priority to other public funders for upcoming rounds to address the remaining capital needs at the property, including anticipated stabilization and preservation funding rounds later this year.
- e. A licensed architect or envelope consultant will be required to prepare designs for the improvement.
- f. An environmental report including an interior and exterior mold survey is required before contracting. If remediation is required, it will be added to the project scope and budget.

7. LEO Condominiums at Trailhead

2025 Funding Request:	\$191,500 (Contingent Loan) 6 Affordable IDD Rental Units and 1 Common Area Unit
2025 Executive Board Recommendation:	\$191,500
2021 ARCH HTF Award:	\$250,000
Total Award:	\$441,500

Project Summary

Life Enrichment Options (LEO) has partnered with the King County Housing Authority (KCHA) to design and purchase space to serve six individuals with Intellectual or Developmental Disabilities (IDD) within the larger Trailhead Apartments project. These apartments were designed in consultation with LEO to align with their group home model that is used across other single-family homes in their portfolio. The space will be comprised of three apartments will deliver six IDD units and one live-in caregiver unit as outlined below:

Unit 305: A 1-bedroom unit for a live-in caregiver, with a connected door to unit 304. This is identified as a Common Area Unit, and will be considered a reasonable accommodation for purposes of the Section 8 Housing Choice Voucher associated with the neighboring unit 304 that has a shared door between the units.

Unit 304: A 4-bedroom unit for adults with Intellectual or Developmental Disabilities, providing 4 units at 30% AMI.

Unit 303: A neighboring 2-bedroom unit for adults with Intellectual or Developmental Disabilities, providing 2 units for residents that are capable of more independent living, at 40% AMI.

The ground floor will include 10,000 sf of commercial space (Issaquah Opportunity Center) to be owned by the City of Issaquah. This space will be programmed for community services, and the

City of Issaquah will issue an RFP to healthcare providers, mental health service providers, and other community service organizations this fall to select tenants.

ARCH previously funded the LEO at Trailhead project in 2021. After overcoming delays due to site control and relocation of an existing utility, the project is now in the permitting process and expected to start construction in 2026. LEO anticipates purchasing the condo units at the completion of the building in 2028.

Funding Rationale

The Executive Board recommends funding with conditions listed below for the following reasons:

- The project provides much needed housing and services for people with intellectual and developmental disabilities within a larger multifamily setting, establishing a potential model for integration of IDD housing in future projects.
- The project leverages significant State funding dedicated to IDD housing as well as the financing assembled by KCHA for the larger development.
- The project helps fulfill an important and longstanding TOD project within the City of Issaquah that will realize significant affordable housing and economic development goals. The project is part of a larger partnership with King County Housing Authority, a market rate developer and the City of Issaquah which will create significant affordable housing.

Proposed Conditions

The following 2025 Special Conditions and Standard Conditions are intended to supersede all conditions included in the 2021 award.

Standard Conditions: See Attachment 2 ARCH Award Standard Conditions.

Special Conditions:

Prior to Contracting

- a. The funding commitment shall continue for **thirty-six (36) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider subsequent 12-month extensions only based on documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant must demonstrate that all capital funding has been secured or is likely to be secured within a reasonable timeframe.
- b. Funds will be in the form of a **secured grant**. Agency shall provide final operating proforma and cashflow waterfall for ARCH staff review. Final grant terms shall be determined prior to release of funds and must be approved by ARCH Staff.

- c. A covenant is recorded ensuring affordability for at least 55 years, with size and affordability distribution per the following table. Changes may be considered based on reasonable justification as approved by ARCH staff (such as changes to accommodate income averaging across the project).

Affordability	Beds	Total
30%	4	4
40%	2	2
Total Low-Income Units	6	6
CAU/Manager Unit	1	1
Total Units	7	7

- d. An operating budget, including any shared condominium operating costs will be reviewed and approved by ARCH.

8. Imagine Housing – Peter’s Ridge

2025 Funding Request: \$2,000,000 (Contingent Loan)
108 Affordable Rental Units

2025 Executive Board Recommendation: \$0

Project Summary

Peter’s Ridge Apartments will be a new construction project providing an estimated 108 units located on the current site of St. Peters Methodist Church. The development will include six separate 3-story buildings with a mix of studio, one-bedroom, two-bedroom, and three-bedroom units with an emphasis on two-bedroom and three-bedroom units or larger families. This project would be one of the first to utilize Bellevue’s Action C-1 amendment to the land use code incentivizing affordable housing on faith-owned property.

The project is located in the Northeast Bellevue neighborhood with many amenities located in nearby Crossroads. The development will include onsite parking and an onsite resident service coordinator.

Funding Rationale:

Given limited resources for an award in this year’s funding round, the Executive Board supports the intent of the project but does not recommend funding the project in the 2025 round for the following reasons:

- The sponsor indicated that the Forest Edge project is their priority this funding round in its funding applications to ARCH, City of Bellevue and State funding rounds. The project is highly unlikely to leverage other public sources this year for full funding.
- The applicant will be encouraged to apply in future funding rounds.

9. King County Housing Authority – Trailhead Apartments

2025 Funding Request:	\$500,000 (Conditional Loan) 154 Affordable Rental Units and 2 Common Area Units
2025 Executive Board Recommendation:	\$0
2017 ARCH HTF Award:	\$2,000,000
Total 2025 Award:	\$0 (The existing \$2,000,000 remains committed from ARCH for the development)

Project Summary

Trailhead Apartments will be an approximately 156-unit affordable housing building located on the north side of the larger Central Issaquah Transit Oriented Development. The King County Housing Authority (KCHA) is currently in the process of selecting a developer for a second, 200-unit, market rate building that will be located to the south. The Trailhead Apartments will serve 40% and 60% AMI households with a mix of studio, one-bedroom, two-bedroom, and 3-bedroom units.

KCHA will partner with Life Enrichment Options (LEO) to construct space within the project to house six adults living with Intellectual and Developmental Disabilities (IDD). LEO has submitted a funding application to support their purchase of this space, anticipating ARCH, Issaquah IHIP, and Commerce awards.

The ground floor will include 10,000 sf of commercial space (Issaquah Opportunity Center) to be owned by the City of Issaquah. This space will be programmed for community services, and the City of Issaquah will issue an RFP to healthcare providers, mental health service providers, and other community service organizations this fall to select tenants. The project will include 172 parking stalls on three levels of structured parking.

ARCH initially awarded funding to the Trailhead project in 2017 and has remained committed to the project's success since then.

Funding Rationale

Given the limited resources for an award in this year's funding round, the Executive Board supports the intent of the project but does not recommend additional funding for the project in the 2025 ARCH HTF round for the following reasons:

- While the project aligned well with the timely delivery of housing priority, the applicant indicated that if they were not fully funded with all pending funding requests and available financing tools in 2025, they would be able to begin construction as scheduled in June 2026 and apply for additional funds in future rounds.

- ## 10. LIHI – Aventine Apartments

11. Vintage – Parq by Vintage

2025 Funding Request: \$2,000,000 (Conditional Loan)
259 Affordable Rental Units and 2 Common Area Units

2025 Executive Board Recommendation: \$0

Project Summary

Parq by Vintage is a proposed 259-unit affordable multifamily development. The project is located at 21925 South East 51st Street, Issaquah, WA 98029 and will convert existing commercial office space into multifamily affordable residential buildings. The site consists of two elevator buildings, one with five stories and one with six stories. The project proposes to provide 259 parking spaces, which are necessary due to limited transit options from the site. Outdoor amenity space will be created for the residents.

The site was chosen for its adaptive reuse potential and for its proximity to amenities desirable to families, including groceries, pharmacies, retail, and restaurants. The project site is located adjacent to the 531-acre Lake Sammamish State Park, with a direct trail connection to the park. A major landmark in King County, the park receives over two million visitors annually.

Funding Rationale

Given the limited resources for an award in this year's funding round, the Executive Board supports the intent of the project but does not recommend funding the project in the 2025 ARCH HTF Round for the following reasons:

- The project sponsor and property management firm have pending litigation with the State Attorney General's Office; therefore, the project was unlikely to receive an allocation of the other funding needed to complete the project on the proposed schedule.
- The project application provided limited assessment of the existing building and system conditions as well as few details in the office to residential conversion scope of work, leaving more uncertainty on project costs and need for funding.

12. reSpace – Bellevue Sell and Stay Multigenerational Homeowners

2025 Funding Request: \$500,000 (Secured Grant)
40 Affordable Homeownership Units

2025 Executive Board Recommendation: \$0

Project Summary

This project aims to provide 8-12 units on four separate properties under a unique co-homeownership model for moderate-income individuals (60–100% AMI) including seniors who wish to age in place. The project will involve the redevelopment of four, to be identified, existing single-family properties into 8–12 private suites at each site within a shared-equity homeownership structure. Properties will be sourced by identifying single family homeowners who want to sell their homes but remain onsite, in a new living suite. Sixteen of the 40 units will be dedicated to seniors eligible at 60% AMI making these units eligible for Bellevue HSP funds.

The rehabilitation will include adding bathrooms to each bedroom in the existing single-family home to create suites consisting of a bathroom and bedroom for each resident owner. New ADUs will be built with additional shared suites in conformance with the new middle housing code adopted by Bellevue. There will be shared kitchens and living areas in each building. The specific properties for the developments have not yet been identified or site control secured.

Ownership Model: The ownership model is structured through an LLC operating agreement. Each homeowner holds a membership interest in the entire property and common areas, and each household has exclusive rights to their designated private suite.

Funding Rationale

Given the limited resources for an award in this year's funding round, the Executive Board supports the intent of the project but does not recommend funding the project in the 2025 ARCH HTF round for the following reasons:

- The developer has not identified the specific sites or started any of the feasibility or design work.
- Project is a new model and has yet to demonstrate feasibility in the current market including demand for co-housing amongst seniors or ability to obtain construction phase financing for the development or lenders to purchase the co-ownership suites.
- Questions remain about the model for service delivery.
- Applicant is encouraged to continue developing their model and consider applying in a future round.

13. SRI – Catalina Apartments

2025 Funding Request:	\$1,000,000 (Conditional Loan) 96 Affordable Rental Units
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2025 Executive Board Recommendation:	\$0
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Project Summary

This project aims to acquire and convert an existing market-rate building into an income-restricted development for seniors at 30% to 80% AMI, of which five will be set aside for seniors living with

physical disabilities at 30% AMI. The building is comprised of studio and one-bedroom units. This is the second application ARCH has received for the project.

Originally a nursing home, the building was converted to 96 individual apartments in the early 2000s. The project has several features that align well to serve seniors, such as an elevator and significant common areas for congregation. The rehabilitation component will address outstanding capital needs of the building, including exterior paint and facade repairs, a new roof, elevator upgrades, HVAC replacement, and an interior refresh. The property is in the Woodridge neighborhood of Bellevue with most amenities located in the Factoria neighborhood to the south.

The conversion of this building from market rate to income-restricted will require the relocation of at least some existing residents who do not meet income requirements. SRI intends to hire a relocation consultant (Housing to Home) to support relocation elements. It is estimated that around half of the households will not meet income requirements and need to be relocated.

Funding Rationale

Given the limited resources for an award in this year's funding round, the Executive Board supports the intent of the project but does not recommend funding the project for the following reasons:

- The project is unlikely to secure other public sources this year for full funding.
- The project would potentially result in involuntarily displacing approximately 50% of the existing residents as the project converts to senior housing.

Attachment 1: Proposed Funding Sources

2025 FUNDING RECOMMENDATIONS								
	Altaire	Bothell Urban	Family Village Redmond	Forest Edge	LEO Trailhead	Kirkland House	Orchard Gardens	2025 Funds Recommended
	500,000	1,500,000	626,700	500,000	191,500	212,600	500,000	4,030,800
Bellevue	140,400	542,000	211,100	140,400	23,700	54,300	189,300	1,301,200
Bothell	19,400	22,400	19,900	19,400	18,600	18,800	1,400	119,900
Clyde Hill	2,500	6,000	3,100	2,500	1,400	1,700	1,700	18,900
Hunts Point	600	2,300	900	600	100	200	800	5,500
Issaquah	63,300	14,800	5,800	63,300	60,100	1,500	5,200	214,000
Kenmore	13,600	45,100	19,100	13,600	4,400	6,800	14,900	117,500
Kirkland	109,300	421,300	164,100	109,300	18,400	42,100	147,300	1,011,800
Medina	3,500	13,400	5,200	3,500	600	1,300	4,700	32,200
Mercer Island	4,400	16,900	6,600	4,400	700	1,700	5,900	40,600
Newcastle	2,200	8,400	3,300	2,200	400	800	2,900	20,200
Redmond	110,300	290,000	141,900	110,300	58,000	71,700	84,800	867,000
Sammamish	17,700	68,200	26,600	17,700	3,000	6,800	23,900	163,900
Woodinville	11,900	45,800	17,800	11,900	2,000	4,600	16,000	110,000
Yarrow Point	900	3,400	1,300	900	100	300	1,200	8,100
HTF	500,000	1,500,000	626,700	500,000	191,500	212,600	500,000	4,030,800
CDBG							616,000	616,000
Kirkland Add'l Inv						250,000		250,000
Redmond Add'l Inv			350,000					350,000
2021 HTF Award					250,000			250,000
2023 HTF Award							600,000	600,000
Grand Total	500,000	1,500,000	976,700	500,000	441,500	462,600	1,716,000	6,096,800

Attachment 2: ARCH Award Standard Conditions

1. Prior to Contracting:

- a. Owner shall submit quarterly monitoring reports to ARCH **from the time of award** through completion of the project.
- b. The Owner shall submit a project implementation timeline, **and development and operating budgets (“Project Budget”)** based upon more complete cost information and actual funding commitments, including proposed uses of ARCH funds, which must be approved by ARCH. If the Owner is unable to adhere to the timeline and/or budgets, ARCH must be immediately notified and a new timeline and/or budgets shall be submitted by the Owner for ARCH’s approval. ARCH shall not unreasonably withhold its approval to a revised timeline and/or budgets, so long as such new timeline and/or budgets does not materially adversely change the Project. This shall be a continuing obligation of the Owner. Failure to adhere to the timeline and/or budgets, either original or as amended, may result in withdrawal of the **Lender’s** commitment of funds.
- c. The Owner shall submit evidence of commitment of all public and private funds in the Project consistent with the Project Budget. In the event commitment of funds identified in the Project Award Letter cannot be secured in the time frame identified in the application, the Owner shall immediately notify ARCH, and describe the actions it will undertake to secure alternative funding, and the timing of those actions, subject to ARCH’s review and approval. All commitments of financing for the Project must be secured by the Owner prior to the release of funds.
- d. The Owner shall submit evidence of insurance, as required by ARCH.
- e. The Owner shall submit evidence of site control, a market study (if applicable), and an appraisal, by a state-certified general real estate appraiser, as that term is defined in RCW 18.140.010(22), which establishes a property value equal to or greater than the acquisition price.
- f. *[If improvements already exist -* The Owner shall submit a property inspection report by a qualified third-party firm. This report shall include an analysis of deferred and other repair or maintenance items upon the Property as well as the presence of any Hazardous Substances, and if present, how it will be addressed. This report shall be accompanied by a budget and plan showing how recommended rehabilitation work will be completed in a timely manner. A budget and timetable for this work may be submitted with the inspection report or be included as an attachment to the Project Budget required in subsection 1.2 hereinabove.]
- g. The Owner shall submit a Hazardous Substances survey for the site by a qualified third-party firm. This report shall include an analysis of the presence of any Hazardous Substances, and if present,

how the Hazardous Substances will be addressed. This report shall be accompanied by a plan showing how recommended work will be completed in a timely manner. If applicable, a budget and timetable for this work shall be submitted with the inspection report.

- h. Owner shall provide **Lender** with an authorization, execution and enforceability opinion of Owner's counsel in a form reasonably acceptable to the **Lender**.
- i. [If required], Owner shall secure performance and payment bonds in the amount of the value of the construction project.
- j. Owner shall cooperate with ARCH in obtaining an American Land Title Association Lender's Title Policy with extended title insurance insuring the [Loan/Grant] and including those endorsements reasonably required by ARCH. The costs of such policy shall be the responsibility of the Owner.
- k. The Owner shall have in place all applicable construction, land use, environmental (including Hazardous Substances (as defined in the Environmental Indemnity)), and zoning permits, and other approvals necessary for construction, occupation and operation of the Project. Owner shall maintain documentation of any such.
- l. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to: contractor solicitation, bidding and selection; wage rates; property acquisition; and Endangered Species Act (ESA) requirements. Owner shall include in any construction contracts or subcontracts, such requirements as may be required by the federal funds so used.

2. Additional Terms to be included in the Funding Documents

- a. Concurrent with Owner's execution of the Funding Agreement, Owner shall execute and deliver to ARCH (i) the Note, (ii) the Deed of Trust, (iii) the Regulatory Agreement, and (iv) a Certificate and Indemnity Agreement Regarding Hazardous Substances and Building Laws ("Environmental Indemnity"). Together with the Funding Agreement, the Deed of Trust, Note, and Regulatory Agreement, and Environmental Indemnity, shall be considered the "ARCH Funding Documents".
- b. Lender funds allocated to the Project shall not be used for any purposes other than as specified in the award conditions and/or as described in the approved Project Budget unless ARCH has given written authorization for alternative use. Spending of construction contingency must be approved in advance by ARCH. If after the completion of the project there are budget line items with unexpended balances, ARCH shall approve adjustments to the project capital sources, including potential reductions in public fund loan balances.
- c. The Owner shall [acquire/construct/renovate] the Project in compliance with the Project Award Letter as approved by ARCH and substantially in compliance with any plans and/or specifications submitted to and approved by ARCH.

- d. The net developer fee shall follow the ARCH Net Developer Fee Schedule. A net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion that is paid out of cash flow from operations after being placed in service.
- e. The Owner shall submit a complete management and services plan and updated operating budget for review and approval by ARCH staff ("Management Plan"). At a minimum the plan shall describe: (1) the physical plan including number and size of units, amenities, and accessibility, (2) the tenant population to be served, (3) description of housing programs and services, (4) management and operation of the premises including description of management entity and staffing, rules for operation of the premises, enforcement procedures, and maintenance and repair program, and (5) coordination of services with outside providers and parking management.
- f. Owner shall submit annual monitoring reports after completion of the project, and shall submit initial tenant information as required by ARCH, if applicable.

3. Other Terms

- a. ARCH, through its Administering Agency, may negotiate, approve, execute, and record amendments or releases of any ARCH loan documents as may be needed for the project; provided the project still provides the anticipated affordable housing and there is sufficient collateral to secure the members' financial investment, all as determined by ARCH staff.
- b. ARCH acknowledges that projects may change from the time of award until signing of the funding agreement as designs are further developed and financing is secured. The following changes may be approved by the party identified below, based on a determination that the change is necessary for the project to proceed and the Owner has made diligent efforts to maximize the affordable housing benefits in the project.

Type of Change	Approver
Change to proposed population (if applicable)	ARCH Executive Board
Change to total number of units or bedrooms of less than 20%	ARCH staff
Change to total number of units or bedrooms greater than 20%	ARCH Executive Board
Change to affordability levels resulting in average AMI increasing 10% AMI or less change	ARCH staff
Change to affordability levels resulting in average AMI increasing over 10% AMI	Executive Board
Change in one or more entities that make up the project sponsor / applicant	Executive Board

Attachment 3: Project Economic Summaries

Applicant: BRIDGE Housing
 Project Name: Bothell Urban (Lot P)
 Location: Bounded by Thorsk St, 98th Ave NE, and Pop Keeney Way, Bothell
 Project Description: Approximately 200 units of affordable rental housing at 30%, 50%, and 60% AMI with 1 Common Area Unit

Development Costs	Amount
Acquisition Costs	\$70,000
Construction	\$66,695,714
Soft Costs	\$3,898,544
Construction Financing	\$8,274,347
Permanent Financing	\$1,463,662
Capitalized Reserves	\$877,517
Other Development Costs	\$8,538,657
Developer Fee	\$12,676,407
Bond Related Costs of Issuance (4%)	\$107,500
Total Development Costs	\$102,602,348

Residential Source Name	Amount
Tax Credit Equity (4%)	\$43,032,308
State (WA HTF)	\$8,000,000
ARCH	\$1,500,000
Perm Loan/Bond	\$24,629,928
Sponsor Loan	\$4,360,740
Amazon	\$16,000,000
Deferred Developer Fee	\$4,379,372
CHIP	\$700,000
Total Capital Sources	\$102,602,348

Applicant: Hopelink and SRM
 Project Name: Altaire at East Main
 Location: 995 118th Ave SE, Bellevue
 Project Description: Approximately 145 units of affordable rental housing at 30%, 40%, 50%, and 60% AMI with 1 Common Area Unit

Development Costs	Amount
Acquisition Costs	\$16,308,241
Construction	\$46,901,103
Soft Costs	\$5,080,296
Pre-Development/Bridge Financing	\$6,112,799
Construction Financing	\$5,996,690
Permanent Financing	\$548,094
Capitalized Reserves	\$1,362,526
Other Development Costs	\$4,520,908
Developer Fee	\$8,793,300
Bond Related Costs of Issuance (4%)	\$608,470
Total Development Costs	\$96,232,427

Residential Source Name	Amount
Tax Credit Equity (4%)	\$30,108,043
State (WA HTF)	\$7,500,000
King County	\$3,000,000
City of Bellevue (HSP)	\$14,460,888
City of Bellevue (AHF)	\$3,483,750
ARCH	\$500,000
Perm Loan/Bond	\$11,325,006
Amazon	\$18,125,000
Deferred Developer Fee	\$6,224,409
Interim Income and Accrued Interest	\$1,505,331
Total Capital Sources	\$96,232,427

Applicant: Imagine Housing
 Project Name: Forest Edge
 Location: 2650 148th Ave SE, Bellevue
 Project Description: Approximately 100 units of affordable rental housing at 60% AMI

Development Costs	Amount
Acquisition Costs	\$3,625,000
Construction	\$49,353,990
Soft Costs	\$3,401,182
Pre-Development/Bridge Financing	\$350,000
Construction Financing	\$4,172,323
Permanent Financing	\$809,968
Capitalized Reserves	\$1,005,687
Other Development Costs	\$2,993,364
Developer Fee	\$4,950,000
Bond Related Costs of Issuance (4%)	\$589,051
Total Development Costs	\$71,250,565

Residential Source Name	Amount
Tax Credit Equity (4%)	\$26,867,375
State (WA HTF)	\$5,000,000
City of Bellevue (HSP)	\$6,903,994
City of Bellevue (AHF)	\$3,784,367
ARCH	\$500,000
Perm Loan/Bond	\$13,223,748
Amazon	\$11,000,000
Deferred Developer Fee	\$2,971,081
CHIP	\$1,000,000
Total Capital Sources	\$71,250,565

Applicant: Habitat for Humanity
 Project Name: Orchard Gardens
 Location: 4315 129th Place SE, Bellevue
 Project Description: Approximately 25 units of affordable homeownership at 80% AMI

Development Costs	Amount
Acquisition Costs	\$1,635,000
Construction	\$15,996,994
Soft Costs	\$1,716,316
Construction Financing	\$776,962
Other Development Costs	\$1,225,000
Total Development Costs	\$21,350,272

Residential Source Name	Amount
State (WA HTF)	\$2,500,000
King County	\$1,800,000
City of Bellevue (AHF)	\$1,715,400
ARCH 2025 Request	\$784,600
Perm Loan/Bond (Home Sales Revenue)	\$6,539,558
National Housing Trust	\$400,000
2023 Commerce HTF & Appropriation	\$3,109,600
2023 ARCH	\$600,000
2023 & 2024 King County	\$2,901,114
2023 CHIP	\$1,000,000
Total Capital Sources	\$21,350,272

Applicant: PorchLight (formerly Congregations for the Homeless)
 Project Name: Kirkland House
 Location: 13205 100th Place NE, Kirkland
 Project Description: Approximately 6 units of affordable rental housing at 30% and 50% AMI

Development Costs	Amount
Construction	\$1,216,612
Soft Costs	\$239,587
Capitalized Reserves	\$28,200
Other Development Costs	\$103,142
Developer Fee	\$50,000
Total Development Costs	\$1,637,541

Residential Source Name	Amount
State (WA HTF)	\$924,941
ARCH	\$462,600
Sponsor Grant	\$250,000
Total Capital Sources	\$1,637,541

Applicant: YWCA
 Project Name: Family Village Redmond
 Location: 16601 NE 80th St, Redmond
 Project Description: 20 units of affordable rental housing at 30% AMI

Development Costs	Amount
Construction	\$1,793,991
Soft Costs	\$28,000
Other Development Costs	\$24,748
Developer Fee	\$50,313
Total Development Costs	\$1,897,052

Residential Source Name	Amount
ARCH	\$976,700
County/State Preservation Funds	\$920,352
Total Capital Sources	\$1,897,052

Applicant: Life Enrichment Options (LEO)
 Project Name: LEO Condominiums at Trailhead
 Location: 1550 Newport Way NW, Issaquah
 Project Description: 6 units of affordable rental housing at 30% and 40% AMI and 1 Common Area Unit

Development Costs	Amount
Acquisition Costs	\$2,420,479
Soft Costs	\$254,485
Capitalized Reserves	\$8,788
Other Development Costs	\$14,374
Total Development Costs	\$2,698,126

Residential Source Name	Amount
State (WA HTF)	\$1,733,626
Issaquah Inclusive Housing Pool (IHIP)	\$383,000
ARCH 2025 Request	\$191,500
Kuni Foundation	\$140,000
2023 ARCH	\$250,000
Total Capital Sources	\$2,698,126