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MEMORANDUM

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

FROM: Kurt Triplett, ARCH Executive Board Chair

DATE: December 27, 2019

RE: Fall 2019 Housing Trust Fund (HTF) Recommendations

The 2019 ARCH Housing Trust Fund round demonstrated historic levels of demand for funding to support affordable housing development in East King County, with nine applications representing requests for nearly \$20 million in local funds to develop close to 1,000 units or beds. After careful deliberation, the ARCH Executive Board concurred with the recommendations of the ARCH Citizen Advisory Board (CAB), and is recommending funding of \$5,001,000 for six new projects and one supplemental award to a previously funded project as shown in **Attachment 1: Recommended Projects and Funding Sources**.

These recommendations advance a significant number of projects that meet urgent local priorities, including the expansion of year-round emergency shelter on the Eastside, construction of permanent housing with services for homeless families, workforce housing for low and moderate income wage earners, affordable senior housing and special needs housing. Supporting these projects will result in meaningful progress toward our collective housing goals. As members of ARCH, we continue to value the coordination of local resources to leverage other public and private funding and meet local needs.

Because no projects were recommended in the 2018 round, the funding recommended this year represents the allocation of both 2018 and 2019 Trust Fund contributions, CDBG funding, and interest and revenue accrued in cities' accounts. Even with higher than typical available funding, the Executive Board had to make some difficult choices as to which projects to fund and which to invite back in future rounds. In some cases, a partial award is recommended to demonstrate local support to a project to allow it to advance in a future funding round.

Following is a description of the applications received, the Executive Board recommendation and rationale, and proposed contract conditions for the six proposals recommended for funding at this time. Also enclosed is an economic summary for the six projects recommended for funding, and a summary of past projects funded through the Trust Fund to date.

1. Imagine Housing Samma Senior Apartments

Funding Request: \$2,413,853 (Deferred, Contingent Loan)
54 affordable rental units

Exec Bd Recommendation: \$750,000 (Deferred, Contingent Loan – CDBG funds) for site acquisition

Project Summary:

Imagine Housing (IH), is proposing a 54-unit affordable senior rental project utilizing either 4% tax credits and tax-exempt bond financing or 9% tax credits. The project includes set asides of units for disabled persons and homeless veterans. Imagine hopes to secure Veterans Affairs Supportive Housing (VASH) rental vouchers to help pay down the rent for the Veteran units.

The project would be built on land to be acquired from the City of Bothell at a reduced price. The site is located on the Bus Rapid Transit corridor which is being expanded with ST3 funding. The City has indicated its strong support for the project.

The proposed affordable building is five levels of wood construction. Imagine is pursuing an Ultra High Energy Efficiency (UHEE) rating for this building. The design envisions around 40 surface parking spaces.

Funding Rationale:

The Executive Board sees merit in this application and recommends partially funding to allow acquisition of the site with conditions listed below for the following reasons:

- The City of Bothell is excited to support this affordable project through discounting land and working collaboratively to address land use issues.
- The project would increase affordability within the revitalized Bothell Landing.
- The project is sited at an excellent location for senior housing, with proximity to a major senior center, planned bus rapid transit, parks and trails, and shopping.
- The project aims to serve a range of lower income senior households including set asides for homeless and disabled, however the proposed services model relies on the creation or re-allocation of ongoing human services funding to support case management and resident services.
- The project is somewhat early in the development process; there appear to be opportunities for improving the design, and additional information about the environmental and geotechnical conditions of the site is needed to inform ultimate design and costs.
- The project as proposed exceeds cost limits set out by the Washington State Housing Finance Commission. There may be significant opportunities for reducing estimated project costs.
- CAB is interested in exploring other ways to layout the site.
- The project is competitive for King County funds but did not score as competitively for State Housing Trust Fund dollars this round.
- The scale of project fits developer's past track record and capabilities.

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special Conditions:

1. Funds shall be used by the Agency for acquisition of the site. Prior to accessing funds, the Agency must complete the following:
 - Conduct additional environmental, geotechnical and any other necessary investigation to determine that the project is developable on the property.
 - Provide an updated site plan maximizing the site, and schematic drawings showing unit reasonable layouts supportive of the needs of seniors.
 - Provide updated cost estimates demonstrating feasibility of proposed financing, taking into consideration Total Development Cost limits established by the Washington State Housing Finance Commission (WSHFC) cost limits.
2. Project must meet requirements associated with federal CDBG dollars. A purchase agreement cannot be entered into until the completion of the HUD required Environmental Assessment. The Agency may enter into an option agreement with language that addresses federal funds' "choice-limiting" restrictions. The portion of CDBG funds recommended from the 2020 HUD grant are estimated; funding is conditioned on a final grant agreement with HUD.
3. The Agency must re-submit a revised project proposal to ARCH and other funders in the 2020 funding round. Additional funding conditions will apply to any additional funds awarded.
4. ARCH's 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. ARCH staff will consider up to a 12-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant will demonstrate all capital funding is likely to be secured within a reasonable period of time.
3. 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. Final loan terms shall be determined prior to release of funds and must be approved by ARCH Staff. The terms are expected to include a provision for the Agency to defer payment if certain conditions are met (e.g., low cash flow due to unexpected costs).
4. The Agency must demonstrate the City of Bothell's approval and satisfaction of all zoning requirements including parking, setbacks, curb cuts, and view corridors.
5. A covenant is recorded ensuring affordability for at least 50 years, with affordability generally as shown in the following table. (Note that changes to the matrix may be considered based on additional site investigation and revised financing assumptions that are presented for review and approval in the 2020 funding round.)

Affordability	Studio	1 BR	2BR	Total
40%	4	4		8
50%	16	14		30
60%	9	6	1	16
Total	29	24	1	54

* The 60% AMI 2 BR unit is a manager's unit

2. Congregations for the Homeless East King County Men's Permanent Shelter

Funding Request: \$500,000 additional (Secured Grant)
100 beds

Exec Bd Recommendation: \$500,000 additional (Secured Grant)

Project Summary:

Congregations for the Homeless (CFH) is applying to ARCH for the acquisition and development of a permanent winter shelter and day center for men. The project was originally funded in the 2014 round as a 50-bed shelter proposal. Since then, the need has grown to 100 beds, and site selection activities have culminated in identifying a King County-owned site at Eastgate. CFH has operated the men's emergency winter shelter during that time at non-permanent locations, usually churches or civic buildings, in addition to their regular rotating men's shelter, drop in center, outreach and leased housing program. The permanent shelter is a low barrier shelter with few requirements on shelter guests other than to ensure they don't pose a danger to other guests. The objective of the permanent shelter is to get the homeless out from under the weather and connect them to services to start a pathway out of homelessness. The emergency shelter started out being open only on severe winter nights but moved to being open all nights and is currently located in a building scheduled for demolition in 2022.

The proposed shelter is now sized to provide sleeping accommodations for 100 men and serve 125 persons during the day. The proposed site is owned by King County Solid Waste, surplus from the creation of a waste transfer station off Eastgate Drive. The County is requiring fair market price for the property, with a final price to be determined based on necessary environmental remediation and other site constraints and requirements for the 10-acre site. Due to the size of the site and scope of predevelopment work needed, CFH has entered into a partnership with a development team that is proposing a larger residential development on the remainder of the site.

Funding Rationale:

The Executive Board recommends funding this application for the following reasons:

- The creation of a permanent men's shelter on the Eastside is a longstanding priority for ARCH and its member jurisdictions, particularly the City of Bellevue and King County.
- The project realizes a regional agreement to locate a men's shelter in Bellevue. It is the last of three planned Eastside shelter projects to get realized.
- The current location hosting the men's shelter must be vacated by 2022.
- CFH has successfully initiated outreach with nearby neighbors; no residential neighbors immediately abut the current site.
- Operating costs are known; cities are engaged in work to align human services funding.

The Executive Board does recognize the following weaknesses with the proposal and has addressed them in the funding conditions associated with the project:

- The site does not have an agreed upon purchase price and was last appraised at \$28 million (not taking into account potential deductions for site conditions).
- King County requires the purchase of the site to transact by the end of 2020.
- The entire site must be purchased and other uses funded and developed concurrently, requiring CFH to rely on other entities to help realize the project.
- While the acquisition price will be reduced by estimated cost of remediation; the current agreement with King County does not provide relief if the actual costs of remediation exceed estimated costs.
- Large amounts of public capital and operating/services funding will be required; no revenue can ever be expected from shelter users.
- There is a possibility of neighborhood opposition, given opposition for siting up the street.
- The proposed entitlement timeline appears optimistic.
- Budgets are speculative, costs may vary significantly from pro forma provided.

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special Conditions: (Note these conditions replace those of the 2014 Funding Round award)

1. By March 31, 2020, a final purchase price for the property must be determined, with updated budgets provided demonstrating a reasonable financing proposal to acquire the site by the date required by King County. An extension may be approved if both CFH and King County indicate a strong commitment to resolving all outstanding issues toward completion of the acquisition.
2. The funding commitment shall last 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. ARCH staff will approve an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion.
3. Funds shall be used by CFH toward design, developer fee and construction costs. Funds may not be used for any other purpose unless ARCH staff has given written authorization for the alternate use.
4. Funds will be in the form of a secured grant with no repayment, so long as affordability and target population is maintained, and the service funds necessary to provide services to this population are available.
5. A covenant is recorded ensuring affordability for one hundred (100) beds for at least fifty (50) years for homeless men without specificity to AMI.
6. CFH shall submit quarterly updates to ARCH on the progress of the Capital Campaign demonstrating active solicitation and amounts pledged and secured against campaign targets.

7. Prior to the execution of funding contract, an outreach plan will be submitted to ARCH staff for review and approval. The outreach plan will include provisions such as:
 - Provide written notification to neighbors upon identification of a suitable site to include description of the project, and information regarding CFH that will include the website and contact number;
 - Send out invitations and provide an opportunity for neighbors to individually and/or as a group to meet with CFH in an Open House or other format regarding the project. Provide contact information for Congregations and information about what to do in case something out of the ordinary occurs.
8. Prior to release of funds, CFH shall submit to ARCH staff for review and approval drafts of all documents related to the provision of services to residents and management of the property, including any licensing-related management and service provider plans. These documents shall at a minimum address: management procedures to address tenant needs; services provided for or required of tenants; management and operation of the premises; community and neighbor relations procedures; a summary of ARCH's affordability requirements as well as annual monitoring procedure requirements.
9. In the event that any operating support funding levels will be reduced, the Agency shall inform ARCH Staff about the impacts the proposed reduction will have on the budget and plan for services to clients, and what steps shall be taken to address the impacts. A new budget or services plan must be approved by the ARCH.
10. Because of interest in the sustainability of the project and shortfalls in public subsidies, agency shall provide ARCH Staff (to be shared with the Citizen Advisory Board) historic, current and projected operating cost shortfalls bridged through fundraising, fundraising goals for those periods and the results of those fundraising efforts.

3. Inland Group Polaris at Eastgate Apartments

Funding Request: \$5,000,000 (Deferred Loan)
298 affordable units; 2 unregulated units

Exec Bd Recommendation: Partial funding of 575,000 (Deferred Loan)

Project Summary:

The Polaris at Eastgate project is a joint development between Inland Group and Congregations for the Homeless (CFH) to enable acquisition and development of a large 10-acre property with both a year-round shelter and rental housing. This partnership was created in order to accomplish the acquisition of the site in its entirety, which has both significant up-front predevelopment costs as well as an anticipated fair market purchase price that exceeds CFH's resources and capacity to carry.

Inland Group, along with another development partner, Horizon Housing Alliance, agreed to join the team and carry the costs of site investigation and entitlement process, provided a reasonable path to permanent financing of the residential component is defined in 2020. In addition to providing technical and financial support to carry the development of the shelter through initial phases, the project provides a benefit by creating a more comprehensive community surrounding the shelter. Absent full development of the site, the location of the shelter would be more isolated.

The Project is proposed to be new construction of a 300-unit workforce housing community for families earning up to 60% of AMI. The unit mix including studios, one-bedroom, two-bedrooms and three-bedroom units is planned, accommodating a variety of households from singles through large families. In addition to the 60% AMI income and rent set-aside, 20% of the units will also be set-aside for households where one or more members is also disabled. This unit mix will be provided in two 5-story, elevator-serviced buildings over a subterranean parking garage.

Unit amenities within each building include full size washer and dryer in every apartment, fully equipped kitchens including microwave hoods, shaker style cabinets & laminate countertops in kitchen and bath, vinyl plank faux wood flooring in entry, kitchen, bath and hallways and carpet in bedrooms and living rooms. Common area amenity spaces are planned with a diverse resident mix in mind, and will include a business center, tutoring center, fitness center, resident lounge, theater, and multi-purpose room with kitchen. An internal courtyard with outdoor amenity space will offer a BBQ area, seating and significant landscaping.

The site of this building is separated by a grade change from the shelter. A third pad site with housing for homeless households is anticipated to be proposed in a future funding round.

Funding Rationale:

The Executive Board supported this application and recommends partially funding with conditions listed below for the following reasons:

- The project is necessary to realize the shelter at this location.
- The project creates 298 units of needed affordable rental units within a high opportunity area.
- The project estimates a relatively low per unit development cost compared to other recent projects.
- The project provides significant financial leverage of local resources.
- The applicant is an experienced developer with a strong track record of developing comparably scaled projects with similar financing.
- Site has convenient access to transit, shopping, and services.
- While available resources are not sufficient to fully fund the project, an initial commitment provides funding for predevelopment activities and demonstrates local commitment that increases the chance of securing other public resources.

The Executive Board recognizes the following weaknesses with the proposal which are addressed in the funding conditions:

- The site does not have an agreed upon purchase price and was last appraised at \$28 million (not taking into account potential deductions for site conditions).
- The proposed funding relies on an additional \$4 million in capital funds from King County, however the proposal was not prepared in time to meet King County application deadlines for the 2019 funding round.
- King County has required the purchase of the site to transact by the end of 2020; absent this deadline, the project could benefit from additional time to conduct due diligence and submit full funding applications.
- While the acquisition price will be reduced by estimated cost of remediation; the current agreement with King County does not provide relief if the actual costs of remediation exceed estimated costs.
- The entitlement timeline appears optimistic

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special Conditions:

1. The funding commitment shall continue for eighteen (18) 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. ARCH staff will grant up to a 12-month extension.
2. Funds may be used by the Agency towards construction or other eligible uses approved by ARCH staff. Funds will be released only after all proposed financing has been assembled for the Project. A waiver may be considered by ARCH to allow for earlier release of funds for acquisition if the Agency has demonstrated a clear plan for assembling all needed acquisition and permanent project financing.
3. 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. 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 repayment of deferred developer fee with 1% interest. The terms will also include a provision for the Agency to a deferment of a 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 City or ARCH Staff, and any deferred payment would be repaid from future cash flow or at the end of the amortization period.
4. A covenant is recorded ensuring affordability for at least 50 years, with affordability as shown in the following table. Limited changes to the proposed unit mix may be made subject to ARCH approval.

Area Median Income/Unit Size	Studio	1BR	2BR	3BR	Total
60%	30	160	80	28	298
Unregulated					2
Total	30	160	80	30	300

5. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow the ARCH Net Developer Fee Schedule.
6. If there is a charge for parking, then that amount shall be deducted from the maximum rents. A waiver of this requirement may be considered by ARCH staff if justified by requirements to achieve parking reductions.

4. Inland Group/Horizon Housing Alliance Together Center Redevelopment

Funding Request: \$6,000,000 (Deferred, Contingent Loan)
80 affordable rental units in 9% deal and 204 affordable units in 4% deal

Exec Bd Recommendation: \$2,750,000 (Deferred, Contingent Loan)

Project Summary:

The Together Center is a nonprofit that has operated around a model of providing affordable commercial space for human service-related nonprofit organizations since 1991. In early 2019, after a long process of planning and visioning, the Together Center released a Request for Interest to solicit development proposals that would re-imagine the existing Together Center and take advantage of the development capacity on the property to provide affordable housing. Horizon Housing Alliance, along with its development partner, Inland Group, were selected in the summer of 2019 and have since been working steadily through the pre-development process.

The proposed project is two buildings on a single site with two separate programs. The existing Building A will be 204 studio, one, two, and three bedroom units affordable at 60% AMI called Polaris at Together Center. The existing Building B, called Horizon Housing at Together Center, will be 80 units of studio, one, two, and three-bedroom units affordable to households at 30% and 50% AMI, with 60 of the units set aside for those exiting homelessness. The residential units will be on floors two through five in both buildings. The ground floor of the buildings will be a condo owned by Together Center, a nonprofit that operates affordable office space for human service nonprofit organizations. Parking will be below grade in a structured parking garage. The collective project is called the Together Center Redevelopment.

The project is built around the vision of co-location of housing along with various behavioral health, physical health, and other resources to create a vibrant community and help families break the cycle of intergenerational poverty. Residents of Horizon Housing at Together Center will have access to social and health services in the commercial space with providers including HealthPoint, Ikron, and Sound Health all operating as tenants. The proposed population is intended to include homeless residents be referred by rapid rehousing providers including Catholic Community Services, as well as other transitional housing and shelter programs, rather than the through Coordinated Entry system. This is intended to provide a better balance within the building, as well as allow for prioritization of homeless populations in East King County.

Horizon Housing at Together Center will partner with Hopelink to provide service coordination and case management services on site. The project cashflow will contribute \$110,000 annually towards services. Hopelink and Horizon will apply for available service dollars to fund the remaining services for the families exiting homelessness. Horizon Housing at Together Center can refer tenants to the physical and behavioral health providers, including HealthPoint, who will be tenants in the ground floor commercial space on site. These “off-site” services will be paid through existing revenue streams with the providing agencies.

Funding Rationale:

The Executive Board recommends funding this application with partial funding at a minimum to advance the 9% portion of the project with conditions listed below for the following reasons:

- The project helps to realize the redevelopment of the Together Center, a valued community asset that provides critical social services for people across the EKC region.
- Services at the Together Center will provide ongoing benefits to residents of the housing.
- Project will ultimately create 284 units of affordable housing; 60 of which are set aside for households exiting homelessness
- The initial funding commitment allows the project to secure highly competitive 9% tax credit resources for East King County while securing funding for the remainder of the project.
- Project maximizes utilization of the site per zoning.

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special Conditions:

1. The funding commitment shall continue for eighteen (18) 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. ARCH staff will grant up to a 12-month extension.
2. Funds shall be used by the Agency towards construction. Funds may not be used for any other purpose unless ARCH staff has given written authorization for the alternate use.
3. 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. 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 repayment of deferred developer fee with 1% interest. The terms will also include a provision for the Agency to a deferment of a 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.
5. The net developer fee shall be established at the time of finalizing the Contract Budget, and will follow the ARCH Net Developer Fee Schedule.
6. A covenant is recorded ensuring affordability for at least 50 years, with affordability generally as shown in the following table. (Note that limited changes to the matrix may be considered based on reasonable justification as approved by ARCH staff.)

9% Project:

Affordability	Studio	1 BR	2BR	3BR	Total
30%		8	20	12	40
50%		8	20	12	40
Total		16	40	24	80

4% Project:

Affordability	Studio	1 BR	2BR	3BR	Total
60%	20	80	84	20	204
Total	20	80	84	20	204

7. Submit for City or ARCH staff approval a management and services plan which includes coordination of services with outside providers and parking management.
8. Agency shall submit a marketing plan for approval by ARCH staff. The plan should include how the Agency will do local targeted marketing outreach to local, media business and community organizations.
10. If there is a charge for parking, then that amount shall be deducted from the maximum rents. A waiver of this requirement may be considered by ARCH staff if justified by requirements to achieve parking reductions.

5. Community Homes Shared Living 1

Funding Request: \$100,500 (Secured Grant)
3 Beds

Exec Bd Recommendation: \$100,500 (Secured Grant)

Project Summary:

Community Homes, Inc. (CHI) is proposing to acquire a home that will serve three (3) low-income adults with developmental disabilities. The proposed setting accommodates both the DD residents and their care provider in a shared living arrangement. Each tenant will have their own bedroom. Residents will share living spaces with the care provider but will have a separate bathroom. CHI has a purchase and sales agreement on a suitable property in Newcastle.

Funding Rationale:

The Executive Board recommends funding this application for the following reasons:

- The project has site control and is able to move forward quickly.
- The project serves very low income developmentally disabled individuals.
- The project provides housing for a population (Special Needs housing) that currently is below long-term ARCH Trust goals.
- The residents will benefit from a live-in care provider who is directly funded by Development Disabilities Administration; the live-in care model provides greater stability of care and retention of staff compared to other models.
- Developer has a 24-year track record and good reputation with funders and the Department of Developmental Disabilities.
- The lower number of residents in the home allows the project to come online faster and avoid the lengthy licensing process for homes with more residents.
- The project qualifies for funding set-asides in the State Housing Trust Fund round.

- Based on the proposed funding sources, ARCH funds would be leveraged with significant resources from King County and the State.

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special / Revised Conditions:

1. The funding commitment shall continue for six (6) 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 an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time. ARCH staff will grant up to a 12-month extension. If necessary, a second extension of up to 6 months may be requested by following the same procedures as the first extension.
2. Funds shall be used by the Agency toward acquisition and related costs. Funds may not be used for any other purpose unless ARCH staff has given written authorization for the alternate use.
3. The Agency shall not proceed with searching for a home until all funding commitments have been received. The Agency shall only purchase unoccupied homes or owner-occupied homes in order to not trigger local and federal relocation regulations.
4. Prior to acquisition, the Agency shall submit an appraisal by a qualified appraiser. The appraisal shall be equal to or greater than the purchase price.
5. If federal sources are being provided by any funder, a purchase agreement cannot be entered into until the completion of the HUD required Environmental Assessment. The Agency may enter into an option agreement with language that addresses federal funds' "choice-limiting" restrictions.
6. Funds will be in the form of a secured grant with no repayment, so long as affordability and target population is maintained.
7. A covenant is recorded ensuring affordability for at least 50 years, with three beds for developmentally disabled individuals at or below 30% of area median income at move in.
8. Unless otherwise approved by ARCH staff, the development budget shall include:
 - Minimum of \$17,000 of private sources provided by the applicant.
 - Up to \$987,500 combined for acquisition and development. In the event total acquisition and development costs, including contingency, exceeds this amount, additional costs shall be covered by private sources from the applicant. If actual costs fall below this amount, the ARCH award may be adjusted downward accordingly.
 - Developer fee shall not exceed \$25,000.

9. Reserves will be funded out of operations at \$3,000 for the first year with an annual increase of 3.5% per year for replacement reserves and \$1,000 for the first year with an annual increase of 3.5% per year for operating reserves.
10. All cash flow after payment of operating expenses (including respite care) shall be placed into a project reserve account that can be used by the applicant for project related operating, maintenance or services expenses. Any other use of these reserves must be approved by ARCH staff.
11. In the event that any operating support funding levels will be reduced, the Agency shall inform ARCH Staff about the impacts the proposed reduction will have on the budget and plan for services to the DD clients, and what steps shall be taken to address the impacts. A new budget or services plan must be approved by ARCH.
12. The Agency will notify ARCH when they enter into an option or purchase and sale agreement for any home, providing information on the location of the home and terms for acquiring the home. No home considered for acquisition will be within two blocks of another home owned by Agency unless otherwise approved by ARCH staff.
13. Prior to closing on the home, an individualized outreach plan will be submitted to ARCH staff for review and approval. The outreach plan will include provisions such as:
 - Provide written notification to neighbors upon mutual acceptance of the Purchase and Sales Agreement to include CHI's intention to purchase the house, description of the project, and information regarding CHI and the care provider that will include the website and contact number;
 - Provide an opportunity for neighbors to meet individually and/or as a group with CHI and the care provider regarding the project; such as having an Open House after the tenants move-in and include invitations to neighbors.
15. Once the home is selected the Agency shall include ARCH Staff in the inspection of the property and development of the final scope of work for the rehab. The final scope of work for the basic construction budget shall include, at a minimum, all work necessary for licensing of the home and correction of substandard health and safety conditions. Prior to start of construction, the Agency shall submit the final scope of work for ARCH Staff approval, along with evidence that construction costs have been confirmed by a qualified contractor and are within the basic construction budget. All uses of construction contingency funds must be approved by ARCH staff prior to authorization to proceed with such work.

6. Community Homes Adult Family Home 8

Funding Request: \$150,500 (Secured Grant)
5 Beds

Exec Bd Recommendation: \$150,500 (Secured Grant)

Project Summary:

Community Homes, Inc. (CHI) is proposing to acquire and remodel a home that will serve five (5) low-income adults with developmental disabilities. The community within the home allows them to live as

independently as possible. A specific home will be identified once funding is committed. Criteria for selecting the particular property includes a minimum size of 2,500 square feet, the physical layout and ease of renovation of the house as well as neighborhood amenities such as sidewalks, access to stores, public services, transportation and recreation.

The residents will live in a shared living arrangement, along with a live-in care provider. Each tenant will have their own bedroom. Residents will share two bathrooms and a resident community living area with kitchen. If necessary, as in the case of prior homes, the existing garage may be converted to living space.

Funding Rationale:

The Executive Board supports funding this project as described in the application and recommends funding this application for the following reasons:

- Serves very low income developmentally disabled individuals
- The project provides housing for a population (Special Needs housing) that currently is below long-term ARCH Trust goals
- Residents will benefit from a live-in care provider who is directly funded by Development Disabilities Administration; the live-in care model provides greater stability of care and retention of staff compared to other models
- Developer has a 24-year track record and good reputation with funders and the Department of Developmental Disabilities
- The project qualifies for funding set-asides in the State Housing Trust Fund round
- Based on the proposed funding sources, ARCH funds would be leveraged with significant resources from King County and the State

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special / Revised Conditions:

1. The funding commitment shall continue for six (6) 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 an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time. ARCH staff will grant up to a 12-month extension. If necessary, a second extension of up to 6 months may be requested by following the same procedures as the first extension.
2. Funds shall be used by the Agency toward acquisition and construction costs. Funds may not be used for any other purpose unless ARCH staff has given written authorization for the alternate use.
3. The Agency shall not proceed with searching for a home until all funding commitments have been received. The Agency shall only purchase unoccupied homes or owner-occupied homes in order to not trigger local and federal relocation regulations.

4. Prior to acquisition, the Agency shall submit an appraisal by a qualified appraiser. The appraisal shall be equal to or greater than the purchase price.
5. If federal sources are being provided by any funder, a purchase agreement cannot be entered into until the completion of the HUD required Environmental Assessment. The Agency may enter into an option agreement with language that addresses federal funds' "choice-limiting" restrictions.
6. Funds will be in the form of a secured grant with no repayment, so long as affordability and target population is maintained, and the service/care providers have a contract with DDA for funds necessary to provide services to this population.
7. A covenant is recorded ensuring affordability for at least 50 years, with five beds for developmentally disabled individuals at or below 30% of area median income at move in.
8. Unless otherwise approved by ARCH staff, the development budget shall include:
 - Minimum of \$26,500 of private sources provided by the applicant.
 - Up to \$1,705,500 for combined cost of acquisition and development. In the event total acquisition and development costs, including contingency, exceeds this amount, additional costs shall be covered by private sources from the applicant. If actual costs fall below this amount, the ARCH award may be adjusted downward accordingly.
 - Developer fee shall not exceed \$50,000.
9. Reserves will be funded out of operations at \$4,000 for the first year with an annual increase of 3.5% per year for replacement reserves and \$2,000 for the first year with an annual increase of 3.5% per year for operating reserves.
10. Residents referred from DDA will not receive Section 8 assistance.
11. All cash flow after payment of operating expenses (including respite care) shall be placed into a project reserve account that can be used by the applicant for project related operating, maintenance or services expenses. Any other use of these reserves must be approved by ARCH staff.
12. In the event that any operating support funding levels will be reduced, the Agency shall inform ARCH Staff about the impacts the proposed reduction will have on the budget and plan for services to the DD clients, and what steps shall be taken to address the impacts. A new budget or services plan must be approved by ARCH.
13. The Agency will notify ARCH when they enter into an option or purchase and sale agreement for any home, providing information on the location of the home and terms for acquiring the home. No home considered for acquisition will be within two blocks of another home owned by Agency unless otherwise approved by ARCH staff.
14. Prior to closing on the home, an individualized outreach plan will be submitted to ARCH staff for review and approval. The outreach plan will include provisions such as:

- Provide written notification to neighbors upon mutual acceptance of the Purchase and Sales Agreement to include CHI's intention to purchase the house, description of the project, and information regarding CHI and the care provider that will include the website and contact number;
- Provide an opportunity for neighbors to meet individually and/or as a group with CHI and the care provider regarding the project; such as having an Open House after the tenants move-in and include invitations to neighbors.

15. Once the home is selected the Agency shall include ARCH Staff in the inspection of the property and development of the final scope of work for the rehab. The final scope of work for the basic construction budget shall include, at a minimum, all work necessary for licensing of the home and correction of substandard health and safety conditions. Prior to start of construction, the Agency shall submit the final scope of work for ARCH Staff approval, along with evidence that construction costs have been confirmed by a qualified contractor and are within the basic construction budget. All uses of construction contingency funds must be approved by ARCH staff prior to authorization to proceed with such work.

7. Parkview Homes XV

Funding Request: \$225,450 (Secured Grant)
10 Beds

Exec Bd Recommendation: \$0

Project Summary:

Parkview Services, a Shoreline-based non-profit organization is proposing to develop three homes in East King County; one of those homes is in Kenmore, recently acquired by Parkview, the remainder are to yet be identified. The Kenmore Home is 4 beds and has short-term financing that must be taken out in the next year and a half. For the other two homes, they plan to acquire and remodel 1,600 square foot three-bedroom houses that will each serve three (3) low-income individuals with developmental disabilities referred by the Developmental Disabilities Administration. Specific homes will be identified once all funding is committed. Improvements will include remodeling to meet both Evergreen sustainability and ADA (Americans with Disabilities Act) accessibility standards.

Funding Rationale:

The Executive Board supports the concept of the Parkview proposal which serves the neediest of developmentally disabled persons but cannot recommend funding in the current round given the limited funding available. Parkview was awarded funding in 2014 for a similar project, whereas CHI has not received an award since 2012.

The current proposal's acquisition and development budget appears too low to be feasible given the targeted area. Given the amount of requested funds versus what was available, the Executive Board encourages a proposal from Parkview in the next funding round addressing this possible issue.

8. Parkview Homes 9 Down Payment Assistance (DPA)

Funding Request: \$200,000 (Non-Recoverable Grant)
DPA for 6 Households

Executive Board Recommendation: \$0

Project Summary:

Since 2006, Parkview Services has created 131 new homeowners, including 12 households that transitioned from subsidies to public housing rental to homeownership. This project proposes to create first-time homebuyers using deferred down-payment assistance (DPA) loans from a combination of public and private funds to achieve affordability for 10 households (6 in East King County). The homebuyers will purchase in either King, Skagit or Snohomish counties at sites to be determined (TBD). Eligibility for the down-payment assistance loans will require that the household income is 80% or less of the area median income (AMI) and that household has a member who is a person with Intellectual and Developmental Disabilities (IDDs). All homebuyers will receive homebuyer education, one-on-one pre-purchase financial counseling, and follow-up services subsequent to the purchase of their home.

The project includes a partnership with HomeSight, which has applied to King County for funds to make DP loans. Parkview homebuyers who purchase in King County will be eligible to use HomeSight's KC DPA loan together with other Parkview Services DP loans. In turn, HomeSight homebuyers who purchase in east King County will be eligible to use Parkview Services ARCH DP loans. Parkview believes this collaborative funding model is the most effective way to create affordable homeownership opportunities for their target population. The collective layers of DPA result in \$150,000 in public assistance per household.

Funding Rationale:

The Executive Board potentially supports the concept of the Parkview proposal which serves households which have a disabled person in them, it does not recommend making a funding award at this time. ARCH has its own Down Payment Assistance program administered through the Washington State Housing Finance Commission which has had only limited activity in the past several years. Those DPA loans are available to all households, not just those with a disabled person. The Executive Board recommends that in the coming year it re-evaluate that program along with the Parkview proposal to determine why activity is limited, if changes to the ARCH program are warranted, and if a specialized program is more beneficial than ARCH's DPA program for the relative cost per household.

9. King County Housing Authority Preservation of Kirkland Heights and Juanita View

Funding Request: \$2,500,000 (Deferred, Unsecured)
137 affordable units; 135 market-rate rental units

Exec Bd Recommendation: \$0

Project Summary:

King County Housing Authority (KCHA) is proposing to refinance 272 units of Section 8 housing located in Kirkland which it acquired from the Machinists Union in July 2019. King County provided \$10 million earlier this year to facilitate the purchase of the two Kirkland properties. This is part of a larger 5 site

acquisition. Rents would remain as they are currently. No renovations or modernization is contemplated with the funding. At about the same time as making their application to ARCH it was announced that Microsoft had made available \$60 million to KCHA for this purpose. The Microsoft money comes in the form of a 15 year loan bearing interest.

Funding Rationale:

The Executive Board does not recommend funding for this project for the following reasons:

- There is a potential to increase rents on certain units without cost burdening residents. This would allow getting higher Section 8 subsidies and the ability to carry conventional debt
- No renovations are planned with this refinance.
- No additional affordability is created with ARCH funding.
- KCHA secured other sources to immediately acquire the property.
- KCHA does portfolio lending which precludes securing individual properties with Deeds of Trust.

The Executive Board sees opportunity in the proposal if re-envisioned to create greater affordability or significant improvements to the property. The Executive Board would welcome an application in the next round. In the event KCHA does provide an application to ARCH in the upcoming round, the application should address the following issues raised above.

Applicable to all funded projects:

Standard Conditions:

1. The Applicant shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by ARCH staff. If the Applicant is unable to adhere to the budgets, City or Administering Agency must be immediately notified and (a) new budget(s) shall be submitted by the Applicant for the City's approval. The City shall not unreasonably withhold its approval to (a) revised budget(s), so long as such new budget(s) does not materially adversely change the Project. This shall be a continuing obligation of the Applicant. Failure to adhere to the budgets, either original or as amended may result in withdrawal of the City's commitment of funds.
2. The Applicant shall submit evidence of funding commitments from all proposed public sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Applicant shall immediately notify City or Administering Agency, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to City or Administering Agency's review and approval.
3. 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; and Endangered Species Act (ESA) requirements. CDBG funds may not be used to repay (bridge) acquisition finance costs.
4. The Applicant shall maintain documentation of any necessary land use approvals and permits required by the city where the projects are located.

5. Submit monitoring reports quarterly through completion of the project, and annually thereafter. Submit a final budget upon project completion. If applicable, submit initial tenant information as required by City or Administering Agency.

Supplemental Funding Request:

1. Catholic Community Services with Sophia Way, Women and Family Shelter

Funding Request: \$175,000 supplemental funding (Secured Grant)
to the \$3,397,000 award made in the 2017 round

98 Beds (50 Family; 48 Unaccompanied Women)

Exec Bd Recommendation: up to \$175,000 (Secured Grant)

Project Summary:

The new development on the site required addressing storm water impact of the existing building which was constructed in 1952 with different requirements.

Funding Rationale:

The Executive Board supported the CAB recommendation for funding the additional request for the following reasons:

- Storm water detention was originally sized only for the new shelter building however regulations required the impact of the existing structure to also be addressed which was not budgeted for. Additionally, hazardous material was found on site and needed to be remediated.
- Agencies increased their capital campaign targets to match the public ask.
- The project is well underway and addresses an urgent public need.

Special / Revised Conditions:

1. Funds are an “up to” amount to be released only after ARCH staff review and approval of proposed construction change order.

Attachments

Attachment 1: Recommended 2019 Projects and Funding Sources

Attachment 2: Economic Summaries of Recommended Projects

Attachment 3: Past Projects Funded through the Trust Fund

Attachment 1: Recommended Projects and Funding Sources

	Recommended Projects							Supplemental	
	Imagine Housing Samma Senior Apartments	Congregations for the Homeless East King County Men's Permanent Shelter	Inland Group Polaris at Eastgate Apartments	Inland Group/Horizon Housing Alliance Together Center Redevelopment	Community Homes Shared Living 1	Community Homes Adult Family Home 8	Catholic Community Services with Sophia Way, Women and Family Shelter		Total Recommended Funding
<i>Total Recommended Funds</i>	\$ 750,000	\$ 500,000	\$ 575,000	\$ 2,750,000	\$ 100,500	\$ 150,500	\$ 175,000	##	\$ 5,001,000
General Funds	\$ -	\$ 500,000	\$ 575,000	\$ 2,750,000	\$ 100,500	\$ 150,500	\$ 175,000		\$ 4,251,000
CDBG	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 750,000

Member City General Funds

Bellevue	\$ -	\$ 228,920	\$ 263,290	\$ 1,259,060	\$ 46,010	\$ 68,910	\$ -	\$ 1,866,190
Bothell	\$ -	\$ 10,910	\$ 12,550	\$ 60,030	\$ 2,190	\$ 3,290	\$ -	\$ 88,970
Clyde Hill	\$ -	\$ 4,570	\$ 5,250	\$ 25,100	\$ 920	\$ 1,370	\$ -	\$ 37,210
Hunts Point	\$ -	\$ 470	\$ 530	\$ 2,580	\$ 90	\$ 140	\$ -	\$ 3,810
Issaquah	\$ -	\$ 24,430	\$ 28,100	\$ 134,380	\$ 4,910	\$ 7,350	\$ -	\$ 199,170
Kenmore	\$ -	\$ 7,980	\$ 9,180	\$ 43,890	\$ 1,600	\$ 2,400	\$ -	\$ 65,050
Kirkland	\$ -	\$ 118,840	\$ 136,675	\$ 653,600	\$ 23,890	\$ 35,770	\$ 175,000	\$ 1,143,775
Medina	\$ -	\$ 2,340	\$ 2,680	\$ 12,860	\$ 470	\$ 700	\$ -	\$ 19,050
Mercer Island	\$ -	\$ 13,120	\$ 15,090	\$ 72,150	\$ 2,640	\$ 3,950	\$ -	\$ 106,950
Newcastle	\$ -	\$ 4,570	\$ 5,240	\$ 25,130	\$ 920	\$ 1,380	\$ -	\$ 37,240
Redmond	\$ -	\$ 59,980	\$ 68,980	\$ 329,910	\$ 12,060	\$ 18,050	\$ -	\$ 488,980
Sammamish	\$ -	\$ 17,560	\$ 20,200	\$ 96,600	\$ 3,530	\$ 5,290	\$ -	\$ 143,180
Woodinville	\$ -	\$ 5,430	\$ 6,235	\$ 29,860	\$ 1,090	\$ 1,630	\$ -	\$ 44,245
Yarrow Point	\$ -	\$ 880	\$ 1,000	\$ 4,850	\$ 180	\$ 270	\$ -	\$ 7,180
<i>Total General Funds</i>	\$ -	\$ 500,000	\$ 575,000	\$ 2,750,000	\$ 100,500	\$ 150,500	\$ 175,000	\$ 4,251,000

Community Development Block Grant (CDBG) Funds

N/E Subregion - ARCH Allocation	\$ 240,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,252
CDBG - Kirkland	\$ 267,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 267,425
CDBG - Redmond	\$ 242,323	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,323
<i>Total CDBG Funds</i>	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000

ATTACHMENT 2: ECONOMIC SUMMARIES OF RECOMMENDED PROJECTS

ECONOMIC SUMMARY: IMAGINE HOUSING / SAMMA SENIOR APARTMENTS

1. Applicant/Description: New construction of 54 affordable rental units for seniors

2. Project Location: 17816 Bothell Way NE, Bothell

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	\$2,413,853	\$750,000 for Acquisition
King County	\$3,000,000	To be applied for in 2020
Commerce Trust Fund	\$3,500,000	To be applied for in 2020
Tax Credits	\$7,521,213	To be applied for in 2021
Bonds/Private Debt	\$4,230,499	To be applied for in 2021
Deferred Developer Fee	\$567,308	Committed
TOTAL	\$21,232,873	

4. Development Budget:

ITEM	TOTAL	PER UNIT @ 54 units	HTF
Acquisition	\$750,000	\$13,889	\$750,000
Construction	\$14,675,260	\$271,764	\$1,262,123
Design	\$1,280,000	\$23,704	
Consultants	\$449,500	\$8,324	\$210,000
Developer fee	\$1,305,662	\$24,179	
Finance costs	\$788,220	\$14,597	\$32,697
Reserves	\$268,346	\$4,969	
Permits/Fees/Other	\$1,715,885	\$31,776	\$159,033
TOTAL	\$21,232,873	\$393,201	\$1,734,000

5. Debt Service Coverage: Debt service payments will be finalized upon commitment. Basic terms will include a 50-year amortization, deferral of payments until deferred developer fee is repaid, 1% interest, and ability to request a deferral of annual payment to preserve economic integrity of property.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the loan amount upon non-compliance with any of the loan conditions.

7. Rental Subsidy: None

ECONOMIC SUMMARY: EKC Men's Permanent Winter Shelter

1. Applicant/Description: Congregations for the Homeless/KCHA / Development of shelter with beds for 100 homeless men, plus day center

2. Project Location: 13620 SE Eastgate Way, Bellevue

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	\$1,200,000	Includes \$700,000 Awarded in 2014 Round
King County	\$5,802,574	\$3,801,923 Committed in 2019
Commerce Trust Fund	\$4,900,000	Committed in 2019, includes \$1.4M Earmark from 2014
Building Communities Fund	\$750,000	Applying for in 2020 – for non-residential space
Capital Campaign	\$1,500,000	Committed
TOTAL	\$14,152,574	

4. Conceptual Development Budget:

ITEM	TOTAL	PER BED	HTF
Acquisition	\$3,678,383	\$36,784	
Construction	\$8,405,705	\$84,057	\$850,000
Design	\$500,000	\$5,000	\$200,000
Other consultants	\$0	\$0	
Developer Fee	\$350,000	\$3,500	\$150,000
Permits/Fees/Hookups	\$237,386	\$2,374	
Finance costs	\$110,000	\$1,100	
Reserves	\$0	\$0	
Other development costs	\$871,100	\$8,711	
TOTAL	\$14,152,574	\$141,526	\$700,000

5. Debt Service Coverage: Secured grant, no repayment if in compliance.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the grant amount upon non-compliance with any of the funding conditions.

7. Rental Subsidy: None

ECONOMIC SUMMARY: INLAND / POLARIS AT EASTGATE

1. Applicant/Description: New construction of 298 affordable and two market rate rental units for families

2. Project Location: 13620 SE Eastgate Way, Bellevue

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	\$5,000,000	\$2,750,000 partial commitment
King County	\$4,000,000	To be applied for in 2020
Commerce Trust Fund	\$0	
Tax Credits	\$31,256,347	To be applied for in 2020
Bonds/Private Debt	\$46,200,000	To be applied for in 2020
Deferred Developer Fee/GP Equity/Other	\$7,023,588	Committed
TOTAL	\$93,479,935	

4. Development Budget:

ITEM	TOTAL	PER UNIT @ 298 units	HTF
Acquisition	\$9,345,910	\$31,362	
Construction	\$59,977,902	\$201,268	\$5,000,000
Design	\$859,300	\$2,884	
Consultants	\$120,000	\$403	
Developer fee	\$11,556,586	\$38,780	
Finance costs	\$6,586,314	\$22,102	
Reserves	\$1,048,893	\$3,520	
Permits/Fees/Other	\$3,985,000	\$13,372	
TOTAL	\$93,479,935	\$313,691	\$5,000,000

5. Debt Service Coverage: Debt service payments will be finalized upon commitment. Basic terms will include a 50-year amortization, deferral of payments until deferred developer fee is repaid, 1% interest, and ability to request a deferral of annual payment to preserve economic integrity of property.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the loan amount upon non-compliance with any of the loan conditions.

7. Rental Subsidy: None

ECONOMIC SUMMARY: HORIZON / INLAND / TOGETHER CENTER REDEVELOPMENT

1. Applicant/Description: New construction of 284 affordable rental units (9% Tax Credit Portion includes 80 units, of which 60 are set aside for homeless families)

2. Project Location: 16225 NE 87th St., Redmond

3. Financing Information:

Funding Source	Funding Amount	Commitment
9% Phase		
ARCH	\$2,500,000	\$2,500,000 Committed
9% Tax Credits	\$19,270,720	To be applied for in 2020
Private Debt	\$4,750,000	To be applied for in 2020
Deferred Developer Fee	\$690,582	Committed
4% Phase		
ARCH	\$3,500,000	\$250,000 partial commitment
4% Tax Credits	\$25,087,339	To be applied for in 2020
Tax Exempt Bonds	\$36,500,000	To be applied for in 2020
Deferred Developer Fee	\$6,721,304	Committed
TOTAL	\$99,019,945	

4. Development Budget:

ITEM	TOTAL	PER UNIT @ 284 units	HTF
Acquisition	\$5,010,000	\$17,641	
Construction	\$67,804,955	\$238,750	\$5,000,000
Design	\$725,000	\$2,553	
Consultants	\$1,760,370	\$6,198	
Developer fee	\$10,803,634	\$38,041	
Finance costs	\$7,041,263	\$24,793	
Reserves	\$998,832	\$3,517	
Permits/Fees/Other	\$4,875,891	\$17,169	\$1,000,000
TOTAL	99,019,945	\$348,662	\$6,000,000

5. Debt Service Coverage: Debt service payments will be finalized upon commitment. Basic terms will include a 50-year amortization, deferral of payments until deferred developer fee is repaid, 1% interest, and ability to request a deferral of annual payment to preserve economic integrity of property.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the loan amount upon non-compliance with any of the loan conditions.

7. Rental Subsidy: None

ECONOMIC SUMMARY: COMMUNITY HOMES, INC. ADULT FAMILY HOME 8

1. Applicant/Description: CHI / Acquisition/rehabilitation of single family home with 5 beds for very low income developmentally disabled adults.

2. Project Location: East King County

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	\$150,500	Applied for Fall 2019
King County	\$802,000	Committed Fall 2019
Commerce Trust Fund	\$726,500	Committed Fall 2019
Owner Equity	\$26,500	Committed
TOTAL	\$1,705,500	

4. Development Budget:

ITEM	TOTAL	PER BED	HTF
Acquisition	\$1,070,000	\$214,000	\$100,000
Construction	\$480,000	\$96,000	\$50,000
Design	\$10,000	\$2,000	
Consultants	\$60,500	\$12,100	\$500
Developer fee	\$50,000	\$10,000	
Finance costs	\$0	\$0	
Reserves	\$17,000	\$3,400	
Permits/Fees/Other	\$18,000	\$3,600	
TOTAL	\$1,705,500	\$341,100	\$150,500

5. Debt Service Coverage: Secured grant, no repayment if in compliance.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the loan amount upon non-compliance with any of the loan conditions.

7. Rental Subsidy: None

ECONOMIC SUMMARY: COMMUNITY HOMES, INC. SHARED LIVING 1

1. Applicant/Description: CHI / Acquisition/rehabilitation of single family home with 3 beds for very low income developmentally disabled adults.

2. Project Location: East King County (Likely Newcastle)

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	\$100,500	Applied for Fall 2019
King County	\$492,000	Committed Fall 2019
Commerce Trust Fund	\$395,000	Committed Fall 2019
Owner Equity	\$17,000	Committed
TOTAL	\$1,004,500	

4. Development Budget:

ITEM	TOTAL	PER BED	HTF
Acquisition	\$860,000	\$286,667	\$100,000
Construction	\$60,000	\$20,000	
Design			
Consultants	\$35,500	\$11,833	\$500
Developer fee	\$25,000	\$8,333	
Finance costs	\$0	\$0	
Reserves	\$11,000	\$3667	
Permits/Fees/Other	\$13,000	\$4,333	
TOTAL	\$1,004,500	\$334,833	\$100,500

5. Debt Service Coverage: Secured grant, no repayment if in compliance.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the loan amount upon non-compliance with any of the loan conditions.

7. Rental Subsidy: None

ATTACHMENT 3

PAST PROJECTS FUNDED THROUGH THE ARCH TRUST FUND

(1993 - 2018)

Project	Location	Owner	Units/ Beds	Funding*	Pct of Total Allocation	Distribution Target
1. Family Housing						
Andrews Heights Apartments	Bellevue	Imagine Housing	24	\$400,000		
Garden Grove Apartments	Bellevue	DASH	18	\$180,000		
Overlake Townhomes	Bellevue	Habitat of EKC	10	\$120,000		
Glendale Apartments	Bellevue	DASH	82	\$300,000		
Wildwood Court Apartments	Bellevue	DASH	36	\$270,000		
Somerset Gardents (Kona)	Bellevue	KC Housing Authority	198	\$700,000		
Pacific Inn	Bellevue	Pacific Inn Assoc.	118	\$600,000	**	
Eastwood Square	Bellevue	Park Villa LLC	48	\$600,000		
Chalet Apts	Bellevue	Imagine Housing	14	\$163,333		
Andrew's Glen	Bellevue	Imagine Housing	10	\$424,687	*	
August Wilson Place	Bellevue	LIHI	45	\$846,831	*	
YWCA Family Apartments	Bellevue	YWCA	12	\$100,000		
30 Bellevue	Bellevue	Imagine Housing	29	\$473,252	*	
Parkway Apartments	Redmond	KC Housing Authority	41	\$100,000		
Habitat - Patterson	Redmond	Habitat of EKC	24	\$446,629	*	
Avon Villa Mobile Home Park	Redmond	MHCP **	93	\$525,000	*	
Terrace Hills	Redmond	Imagine Housing	18	\$442,000		
Village at Overlake Station	Redmond	KC Housing Authority	308	\$1,645,375	*	
Summerwood	Redmond	DASH	166	\$1,187,265		
Capella at Esterra	Redmond	Imagine Housing/Inland	235	\$6,710,471		
Coal Creek Terrace	Newcastle	Habitat of EKC	12	\$240,837	*	
Rose Crest (Talus)	Issaquah	Imagine Housing	40	\$918,846	*	
Mine Hill	Issaquah	Imagine Housing	28	\$482,380	*	
Clark Street	Issaquah	Imagine Housing	30	\$355,000		
Lauren Heights (Iss Highlands)	Issaquah	Imagine Housing/SRI	45	\$657,343	*	
Habitat Issaquah Highlands	Issaquah	Habitat of EKC	10	\$318,914	*	
Issaquah Family Village I	Issaquah	YWCA	87	\$4,382,584	*	
Issaquah Family Village II	Issaquah	YWCA	47	\$2,760,000	*	
Trailhead	Issaquah	KC Housing Authority	155	\$4,710,000	*	
Greenbrier Family Apts	Woodinville	DASH	50	\$286,892	*	
Crestline Apartments	Kirkland	Shelter Resources	22	\$195,000		
Plum Court	Kirkland	DASH	61	\$1,000,000		
Francis Village	Kirkland	Imagine Housing	15	\$375,000		
Velocity	Kirkland	Imagine Housing	46	\$901,395	*	
Houghton Apartments	Kirkland	KC Housing Authority	15	\$2,827,250		
Copper Lantern	Kenmore	LIHI	33	\$452,321	*	
Highland Gardens (Klahanie)	Sammamish	Imagine Housing	54	\$291,281		
Habitat Sammamish	Sammamish	Habitat of KC	10	\$972,376	*	
REDI TOD Land Loan	Various	Various	100 est	\$500,000		
Homeowner Downpayment Loan	Various	KC/WSHFC/ARCH	87 est	\$615,000		
SUB-TOTAL			2,476	\$39,477,263	61.0% (56%)	
2. Senior Housing						
Cambridge Court	Bellevue	Resurrection Housing	20	\$160,000		
Ashwood Court	Bellevue	DASH/Shelter Resources	50	\$1,070,000	**	
Evergreen Court (Assisted Living)	Bellevue	DASH/Shelter Resources	64	\$2,480,000		
Bellevue Manor / Harris Manor	Bellevue / Redmond	KC Housing Authority	105	\$1,334,749		
Vasa Creek	Bellevue	Shelter Resources	50	\$190,000		
Riverside Landing	Bothell	Shelter Resources	50	\$225,000	*	
Kirkland Plaza	Kirkland	Imagine Housing	24	\$610,000		
Athene (Totem 2)	Kirkland	Imagine Housing	73	\$917,701	*	
Heron Landing	Kenmore	DASH/Shelter Resources	50	\$65,000		
Ellsworth House Apts	Mercer Island	Imagine Housing	59	\$900,000		
John Gabriel House	Redmond	Providence	74	\$2,330,000	**	
Greenbrier Sr Apts	Woodinville	DASH/Shelter Resources	50	\$196,192	**	
SUB-TOTAL			669	\$10,478,642	16.2% (19%)	

ATTACHMENT 3

PAST PROJECTS FUNDED THROUGH THE ARCH TRUST FUND

(1993 - 2018)

Project	Location	Owner	Units/ Beds	Funding*	Pct of Total Allocation	Distribution Target
3. Homeless/Transitional Housing						
Hopelink Place	Bellevue	Hopelink	20	\$500,000 **		
Chalet	Bellevue	Imagine Housing	4	\$46,667		
Kensington Square	Bellevue	Housing at Crossroads	6	\$250,000		
Andrew's Glen	Bellevue	Imagine Housing	30	\$1,162,500		
August Wilson Place	Bellevue	LIHI	12	\$211,708 *		
Sophia Place	Bellevue	Sophia Way	20	\$250,000		
30 Bellevue	Bellevue	Imagine Housing	31	\$506,463 *		
Men's Shelter	TBD	Congregation for Homeless (C	50 Beds	\$700,000		
Dixie Price Transitional Housing	Redmond	Hopelink	4	\$71,750		
Avondale Park	Redmond	Hopelink (EHA)	18	\$280,000		
Avondale Park Redevelopment	Redmond	Hopelink (EHA)	60	\$1,502,469 *		
Capella at Esterra	Redmond	Imagine Housing/Inland	24	\$685,325		
Petter Court	Kirkland	KITH	4	\$100,000		
Francis Village	Kirkland	Imagine Housing	45	\$1,125,000		
Velocity	Kirkland	Imagine Housing	12	\$225,349 *		
Athene (Totem 2)	Kirkland	Imagine Housing	18	\$229,425 *		
Women/Family Shelter	Kirkland	CCS/Sophia Way	98 Beds	\$2,514,000		
Rose Crest (Talus)	Issaquah	Imagine Housing	10	\$229,712 *		
Lauren Heights (Iss Highlands)	Issaquah	SRI	5	\$73,038 *		
Issaquah Family Village I	Issaquah	YWCA	10	\$503,745 *		
Mens Group Home	TBD	Congregation for Homeless (C	5 Beds	\$150,000		
SUB-TOTAL			468	\$11,317,150	17.5% (13%)	
4. Special Needs Housing						
My Friends Place	K.C.	EDVP	6 Beds	\$65,000		
Stillwater	Redmond	Eastside Mental Health	19 Beds	\$187,787		
Capella at Esterra	Redmond	Imagine Housing/Inland	2	\$57,110		
Foster Care Home	Kirkland	Friends of Youth	4 Beds	\$35,000		
FOY New Ground	Kirkland	Friends of Youth	6	\$250,000		
DD Group Home 7	Kirkland	Community Living	5 Beds	\$100,000		
Youth Haven	Kirkland	Friends of Youth	10 Beds	\$332,133		
FOY Transitional Housing	Kirkland	Friends of Youth	10 Beds	\$247,603 *		
FOY Extended Foster Care	Kirkland	Friends of Youth	10 Beds	\$112,624 *		
DD Group Home 4	Redmond	Community Living	5 Beds	\$111,261		
DD Group Homes 5 & 6	Redmond/KC (Bothell)	Community Living	10 Beds	\$250,000		
United Cerebral Palsy	Bellevue/Redmond	UCP	9 Beds	\$25,000		
DD Group Home	Bellevue	Residence East	5 Beds	\$40,000		
AIDS Housing	Bellevue/Kirkland	AIDS Housing of WA	10	\$130,000		
Harrington House	Bellevue	AHA/CCS	8 Beds	\$290,209		
DD Group Home 3	Bellevue	Community Living	5 Beds	\$21,000		
Parkview DD Condos III	Bellevue	Parkview	4	\$200,000		
30 Bellevue	Bellevue	Imagine Housing	2	\$33,211 *		
IERR DD Home	Issaquah	IERR	6 Beds	\$50,209		
FFC DD Homes	NE KC	FFC	8 Beds	\$300,000		
Oxford House	Bothell	Oxford/Compass Ctr.	8 Beds	\$80,000		
Parkview DD Homes VI	Bothell/Bellevue	Parkview	6 Beds	\$150,000		
Parkview DD Homes XI	TBD	Parkview	3 Beds	\$200,800		
FFC DD Home II	Kirkland	FFC	4 Beds	\$168,737		
SUB-TOTAL			165 Beds/Units	\$3,437,684	5.3% (12%)	
TOTAL			3,778	\$64,710,739	100.0%	

* Funding includes in-kind contributions (e.g. land, fee waivers, infrastructure improvements)

** Funded through Bellevue Downtown Program