



**CITY OF KIRKLAND**  
Department of Planning and Community Development  
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[www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)

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## MEMORANDUM

**To:** David Ramsay, City Manager

**From:** Dawn Nelson, AICP, Planning Supervisor

**Date:** January 2, 2008

**Subject:** ARCH HOUSING TRUST FUND RECOMMENDATION FOR FALL 2007, File MIS08-00001

### RECOMMENDATION

Staff recommends that the City Council adopt a motion to approve the recommendations and conditions of approval of the ARCH Executive Board for the Fall 2007 Housing Trust Fund to allocate \$40,000 to the Friends of Youth New Ground Kirkland project and \$25,000 to the Housing at the Crossroads Kensington Square project.

### BACKGROUND DISCUSSION

As in previous funding rounds, general funds set aside by the Council for low and moderate income housing development projects are administered through the ARCH Housing Trust Fund application process. The ARCH Executive Board has recommended that \$40,000, previously allocated from the Kirkland general fund to the ARCH Housing Trust Fund, be awarded to the Friends of Youth New Ground Kirkland project. They would use the funds to remodel an existing apartment building they recently purchased at 11005 NE 68<sup>th</sup> Street in Kirkland. They will use the six apartments to provide transitional housing for homeless young adults aged 18 to 21 (at the time of entry into the program). The award would be made in the form of a secured grant.

The Executive Board has also recommended that \$25,000, previously allocated from the Kirkland general fund to the ARCH Housing Trust Fund, be awarded to the Housing at the Crossroads Kensington Square project in Bellevue. This project will provide six units of transitional family housing to households at or below 30% of median income. The project was previously funded by ARCH and the applicant is seeking an amendment from ARCH and other public and private funding sources to cover cost overruns and unanticipated construction costs. The award would be made in the form of a secured grant.

A summary of the Executive Board recommendation is included as Attachment 1 to this memorandum. Additional information about the projects and their financing is included as Attachment 2. Additional information regarding the proposed projects can be provided at the January 15<sup>th</sup> City Council meeting, if desired.

Cc: Art Sullivan, ARCH, 16225 NE 87<sup>th</sup> Street, Suite A-3, Redmond, Washington 98052



**Attachment 1**  
**ARCH Housing Trust Fund**

Family Resource Center Campus  
16225 NE 87<sup>th</sup> Street, Suite A-3 ♦ Redmond, Washington 98052  
(425) 861-3677 ♦ Fax: (425) 861-4553 ♦ WEBSITE: [www.archhousing.org](http://www.archhousing.org)

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

FROM: Ava Frisinger, Chair, ARCH Executive Board

DATE: December 18, 2007

**RE: Fall 2007 Housing Trust Fund (HTF) Recommendation**

The ARCH Executive Board has completed its review of the four applications applicable to the Fall funding round of the 2007 Housing Trust Fund. Three projects were recommended for funding by the ARCH Executive Board. The recommendations total \$568,000 of local funding as summarized in the attached table, Proposed Funding Sources. The actual amount will depend on final action by the City Councils.

Following is a summary of the applications, our recommendation and rationale, and recommended contract conditions. Also enclosed is an economic summary for the two project seeking funding, leveraging charts, project summary table, and a summary of projects funded to date through the ARCH Trust Fund.

**1. Friend's of Youth: New Ground Kirkland**

Funding Request:                   \$ 268,000 (Secured Grant)

Ex. Bd. Recommendation:       \$ 268,000 (Secured Grant)  
See attached Funding Chart for distribution of City Funds.

**Project Summary:**

Friend's of Youth has already purchased an 8 unit apartment complex (built in 1968) in Kirkland, to provide transitional housing for homeless young adults (18-21 years of age at the time of entry into the program). This project replaces the applicants Transitional Living Center property in Bothell (that operated since 1988). The Bothell property has been closed and sold. The bulk of the site is covered with building and surface parking lot. The unit mix is 4 one-bedroom flats and 4 two-bedroom flats.

The applicant proposes to remodel the building to create 4 one-bedroom units and 2 two-bedroom units (total of 6) for the tenant population (both male and female). Because of the two-bedroom units, there could be an additional one or two tenants, doubling up in the larger units. One of the remaining two units would be a resident manager's unit, and the other unit would be remodeled into office/community space.

The typical profile of these young adults is that they are in an in-between area for existing services. Too old for youth shelters (serving ages 11-17) and are generally too immature to fit into adult shelters. Many of the target population lives outside, sleeping wherever they can, and turning to criminal activities to support basic needs. Most of the population has experienced physical or sexual abuse and have mental health or substance abuse issues.

Services include case management, basic life skills, education and job training, assistance in establishing good credit, treatment of mental and physical health issues, and assistance in following their individual Independent Living Plan. On site amenities would include internet connections in all units. Office computer for resident use, a no-cost laundry facility, an office for individual or group meetings and a resident manager for direct supervision.

Friend's of Youth will do all intake and resident admission to the program. The federal funding associated with the program is designed for residents to have a maximum stay of approximately one and a half years, which can be extended. However, Friend's of Youth has found that the average stay required is only 9 months.

**Funding Rationale:**

The Executive Board supported this application for the following reasons:

- Serves an underserved, special needs population
- Long term affordability to special needs clientele

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- Is a relatively new and successful model (for the Agency) for serving this type of clientele
- Is located adjacent to transit and convenient to neighborhood level shopping and services.

Conditions:

1. Funds shall be used by Friend's of Youth (Agency) toward construction costs, developer fee, development utilities and/or other costs of the project, as approved by City Staff. Funds may not be used for any other purpose unless city staff has given written authorization for the alternate use.
2. 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 City staff no later than sixty (60) days prior to the expiration date. City staff will consider an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion.
3. Funds will be in the form of a secured grant with no repayment, so long as affordability and target population is maintained.
4. A covenant is recorded ensuring affordability for at least six (6) units of housing for homeless young adults, for at least fifty (50) years. The units shall be affordable at the time of occupancy to residents with incomes at or below 30% of median income, adjusted for household size, and including an appropriate utility allowance.
5. The Agency 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 Agency shall immediately notify city staff, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to city staff's review and approval. In the event the Agency requests utilizing any city funds prior to securing all other public capital sources (e.g. State Trust Fund), they will furnish evidence that the Agency has its own resources available and guarantees they will be available to meet project costs in the event funding is not received from those public funding sources.
6. The Agency shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by city staff. If the Agency is unable to adhere to the budgets, city staff must be immediately notified and a new budget(s) shall be submitted by the Agency 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 Agency. Failure to adhere to the budgets, either original or as amended, may result in withdrawal of the City's commitment of funds.
7. The capitalized reserves in the development budget is a critical component of the overall strategy to defer some rehabilitation work in order to take advantage of the remaining useful life of some building components (e.g. roofing) These reserves shall not be used for any

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other project costs during the development phase of the project without approval of City staff.

8. If there is excess net cash flow generated by the project after payment of the expenses established in the operating budget, they shall be used for project reserves.
9. The Agency shall maintain documentation of any necessary land use approvals and permits required by the City.
10. The Agency shall submit a property management plan prior to release of funds. At a minimum, the property management plan will address: a description of the relationship of residents to the program and services, resident selection procedures, management procedures to address resident needs, services available for residents and a short and long term strategy for covering operating expenses. It shall also include a summary of the ARCH annual monitoring procedures. The management plan must be approved by City Staff to insure compliance with the funding conditions.
11. City staff will be consulted as formal lease and service program documents are developed for the property. Final lease and service program documents will be submitted to City staff for their review and approval.
12. In the event that support services funding levels will be reduced, the Agency shall inform City Staff about the impacts the proposed reduction will have on the budget and plan for services to residents, and what steps shall be taken to address the impacts. A new budget or services plan must be approved by the City.
13. If CDBG funds are used, comply with all applicable federal rules and procedures. CDBG funds may not be used to repay (bridge) acquisition finance costs.
14. Submit monitoring reports quarterly through completion of the project, and annually thereafter. Submit a final budget upon project completion. If required for City reporting, submit initial resident information.

## **2. Habitat for Humanity: Issaquah Townhomes**

Funding Request:                   \$ 200,000 (Secured Grant)

Ex. Bd. Recommendation:       \$200,000 (Secured Grant)  
  See attached Funding Chart for distribution of City Funds.

### Project Summary:

Habitat for Humanity of East King County proposes to buy a parcel of land in the Issaquah Highlands area of Issaquah, and build ten (10) new ownership homes within five duplex units. There would be two 2-bedroom units, six 3-bedroom units and two 4-bedroom units. All homes would be sold to households at less than 50% of median income (approx. \$35,000 for a family of two and \$39,000 for a family of four). Purchase price has not been set yet, but is projected to be in the area of \$120,000 each. Based on the projected purchase price, Habitat envisions a 20 year mortgage, at \$500 per month with no interest. A homeowners association will be formed to manage the common areas of the development.

Proposed funding would be used primarily to buy the property, and install infrastructure. Habitat would use volunteers to construct the units, and each of the families selected to own homes would be required to perform at least 500 hours of sweat equity in the development of the homes.

Habitat intends to solicit potential homeowners through a broad media campaign. Each household must have lived or worked in East King County for a year prior to application. A group of mortgage lenders and certified financial planners would assist Habitat in the selection process by screening and evaluating candidates. While performing their sweat equity, the selected households would also go through Habitat's Homeowner Education Program, which includes financial planning, credit reports, homeowner association management, home maintenance and repair, budgeting, living with diversity, mortgage documents, family support and community development.

Habitat uses a land trust model. Habitat owns the land and sells the units built on the land. Habitat carries the mortgage at no-interest, and holds the rights to purchase the unit if the owner wants to sell it. Habitat also maintains a fund for such purchases if the need arises.

### Funding Rationale:

The Executive Board supported this application for the following reasons:

- Creates home ownership for low income families
- Long term affordability through resale controls.
- Is located on a land set-aside parcel for affordable housing within a master planned community.
- Contains mostly 3 and 4 bedroom units (accommodates families), which is appropriate given its location within Issaquah Highlands.

Conditions:

1. Funds shall be used by Habitat for Humanity of East King County (Agency) toward project acquisition or other development costs, as approved by City Staff. Except, if Community Development Block Grant (CDBG) Funds are used, they must be used at the time of initial property purchase by the Agency. CDBG funds may not be used to repay (bridge) acquisition finance costs. Funds may not be used for any other purpose unless city staff has given written authorization for the alternate use.
2. 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 City staff no later than sixty (60) days prior to the expiration date. City staff will consider an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion.
3. Funds will be in the form of a secured grant with no repayment, so long as affordability and target population is maintained.
4. A resale agreement is recorded ensuring affordability for each of ten (10) ownership housing units for families, for at least seventy-five (75) years. The units shall be affordable to families with incomes at or below 50% of median income. Form of resale agreements will be submitted to City staff for their review and approval.
5. The Agency shall submit evidence of funding commitments from all proposed public and private sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Agency shall immediately notify city staff, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to city staff's review and approval. Prior to initiating construction on any home, the Agency shall submit evidence of all public and private resources needed to complete the home.
6. The Agency shall provide a revised development budget based upon actual funding commitments, which must be approved by city staff. If the Agency is unable to adhere to the budget, city staff must be immediately notified and a new budget shall be submitted by the Agency for the City's approval. Prior to starting construction on individual buildings, Habitat shall provide evidence that it has sufficient resources to complete the building. A budget narrative shall also be provided to establish a fundraising plan for replacing any sponsors that terminate their commitment either before or after construction of a unit has begun. The City shall not unreasonably withhold its approval to a revised budget, so long as such new budget does not materially adversely change the Project. This shall be a continuing obligation of the Agency. Failure to adhere to the budgets, either original or as amended, may result in withdrawal of the City's commitment of funds.
7. The Agency shall submit an appraisal for the land that confirms the purchase price and insurance that is in compliance with City requirements.

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8. The Agency shall maintain documentation of any necessary land use approvals and permits required by the City.
  
9. The Agency shall submit an updated homeowner association budget for City staff review and approval showing a breakdown of homeowner association dues, and which includes sufficient reserves for long term maintenance of the common areas. Also, submit a copy of the proposed land trust and Homeowner Association documents. The Homeowner Association documents must provide for the ongoing maintenance of the property and buildings and set forth the ongoing role of Habitat in the operations and management of the property, as well as to identify how the Homeowner Association budget decisions, including the use of dues, will be controlled, so that appropriate property management is assured throughout the duration of affordability.
  
10. The Agency shall provide a final site plan approved by the City of Issaquah, as well as a copy of any hazardous materials inspection or survey for the site. If any hazardous materials were found to be present, the Agency shall provide a plan and budget for mitigating the hazardous materials on the site.
  
11. If CDBG funds are used, comply with all applicable federal rules and procedures.
  
12. Submit monitoring reports quarterly through completion of the project, and annually thereafter. Submit a final budget upon project completion. If required for City reporting, submit initial resident information.

**3. Amendment: Housing at the Crossroads (HAC)—Kensington Square**

Amendment Funding Request:           \$ 50,000 (Secured Grant)

Ex. Bd. Recommendation:           \$100,000 (Secured Grant)  
See attached Funding Chart for distribution of City Funds.

Original Award:                         \$150,000 (Secured Grant, City of Bellevue)

Note: This project is seeking a funding amendment from ARCH to cover a portion of the unanticipated costs and cost overruns that have accrued during construction. The applicant is seeking the remainder of the needed funding through other public funders, the Master Builder Care Foundation, and/or private fundraising or loans.

Project Summary

The Kensington Square project is 6 units of new construction transitional housing on property located near the intersection of 8<sup>th</sup> street and 148<sup>th</sup> avenue in Bellevue. When HAC bought the property, the purchase price included the permit ready design work.

The project consists of six units in three buildings (one four-plex and two detached single family homes).

The site is located next to the intersection of two arterial streets, and is adjacent to transit services. The Overlake shopping and employment area is about a mile north of the site, which is also served by transit.

The units will serve transitional households at or below 30% of median income, for a period of up to two years. All six families will be homeless or at risk of being homeless. Households would be selected on a first come/first served basis. Kirkland Interfaith Transitions in Housing (KITH) will provide intake and case management services, developing a transition plan for each household. Each household will receive emergency assistance, transportation, child care, tutoring, health services, life skills training, budgeting, employment training, and other supportive services, according to their case management plans. Off-site referrals will be made for medical, dental, legal, and other issues. Upon completion of their stay, KITH will assist with finding permanent housing and tracking/following up with each household for a post stay period of two years. KITH may also provide permanent housing from their portfolio of housing, depending on availability.

Funding Rationale:

The Executive Board supported this amendment application for the following reasons:

- Provides housing for very low income persons.
- Provides long term affordability
- Strong leverage of other public funding.
- Location adjacent transit and convenient to shopping and employment.

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Conditions (applicable to amendment funding)

1. This additional 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 City staff no later than sixty (60) days prior to the expiration date. City staff will consider an extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion.
2. Funds for this additional funding commitment will be in the form of a secured grant with no repayment, so long as affordability and target population is maintained.
3. The Agency continues to work closely with the Master Builder Care Foundation to seek donations of labor and materials applicable to completion of the project.
4. Up to \$50,000 of this commitment may be released to the Agency when the City receives documentation that all public and private funds and resources are in place to complete the project. The remaining \$50,000 of this commitment may be released when the project has received a temporary certificate of occupancy ( or equivalent form of substantial completion) from the City of Bellevue.

Conditions already approved and under contract:

1. Funds shall be used by the Housing at the Crossroads (Agency) toward the acquisition costs of the property construction sales tax, developer fee, permit costs, design costs, and project management costs. In the event that CDBG funds are approved for the project, they shall not be used for acquisition expenses. Funds may not be used for any other purpose unless city staff have given written authorization for the alternate use.
2. A covenant is recorded ensuring affordability for six (6) units of transitional housing, for a period of at least fifty (50) years. The transitional units shall be affordable to households at the time of occupancy with incomes at or below 30% of median income, adjusted for household size, and including an appropriate utility allowance. The maximum residency of transitional housing clients shall be two years. City staff will have the discretion to approve modifications to the requirement that all of the units be reserved as transitional units. In the event such a modification is approved, the project will still be required to meet the affordability requirements.
3. If, at any point, Project Based Section 8 is no longer available or feasible, the City shall be notified at the earliest time the Agency knows Section 8 is/will no longer be available or feasible. The City and the Agency shall work together to determine if the affordability requirements need to be adjusted for some or all of the units, not to exceed 50% of median income, in order to generate sufficient revenue to meet the Project's housing expenses (including reserves, debt service and asset management fee).
4. The Agency shall submit an appraisal by a qualified appraiser. The appraisal shall be equal to or greater than the purchase price. In the event the appraisal is less than the purchase

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price, the Agency shall submit documentation that the difference is based upon design and other predevelopment work that was included in the purchase price.

5. The Applicant shall provide a written supplement that sets forth whether the two bedroom detached home can be reconfigured to include a third bedroom, without significantly affecting the permit process or overall project costs. The supplement shall also include a strategy for controlling construction costs, such as through specification of finish materials.
6. The Agency shall provide a revised project implementation timeline, development budget and operating budget based upon more complete cost estimates, approved Section 8 rent levels, and the assumption that a professional management company will be used to manage the property. If the Agency is unable to adhere to the timeline and/or budgets, City Staff must be immediately notified and a new timeline and/or budgets shall be submitted by the Agency for the City Staff's approval. The City 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 Agency. Failure to adhere to the timeline and budgets, either original or as amended, may result in withdrawal of the City's commitment of funds.
7. The Agency shall maintain documentation of any necessary licenses, land use approvals and permits required for construction and operation of the property.
8. The Agency shall submit evidence of insurance as required by the City.
9. The Agency shall submit a property management plan. At a minimum, the plan must address: tenant selection procedures, management procedures to address tenant needs, services provided for or required of tenants, and a short and long term strategy for covering operating expenses. It shall also include a summary of ARCH's affordability requirements as well as annual monitoring procedure requirements. The management plan must be submitted for review and approval by city staff. The plan shall set forth the management responsibilities that will be followed by a professional management company. The plan shall also address how the Agency will insure necessary monitoring and reporting will be completed in a timely manner, and strategies the Agency has to manage the property as a long term asset to the Agency.
10. Submit monitoring reports quarterly through the development phase of the project. Submit a final budget upon project completion. Thereafter, submit the required annual monitoring. If applicable, submit tenant information as required by the City or County.

**1. St. Andrew's Housing Group: St. Margaret's Apartments**

Funding Request: \$1,500,000 (Loan)  
35 units of Project Based Section 8

CAB Recommendation: \$ -0- (At this time)

Project Summary:

The St. Margaret's Apartment development is a new construction housing project of up to 133 units, proposed to be located on a portion of the undeveloped area of the St. Margaret's church and an adjacent parcel located in the Factoria (southeast) area of Bellevue.

The property is located in close proximity to transit, shopping and employment. The church intends to sell the applicant about 2.1 acres to construct two levels of structured parking with four levels of housing built on top (within three separate buildings). The existing thrift store on the property will be converted to common area, office space and service provider space and the thrift shop will be located in the new building.

Units mix will be 12 studio, 52 one-bedroom, and 66 two-bedroom. There will be Affordability levels will be 30%, 50% and 60%. The proposal includes seeking up to 35 units of Section 8 assistance . Twenty-eight (28) units will be used to stabilize homeless individuals and 26 units will be targeted to veterans households. Supportive services will be provided to both groups.

The partnering agencies for referrals for the supportive housing will include the Department of Veterans Affairs and Congregations for the Homeless. SAHG will have 1.5 FTE direct service staff to provide case management and services to all the tenants. An array of outside agencies have committed to off-site services, such as Hopelink, Friends of Youth, YWCA, Eastside Healthy Start, and the Veterans Edge Program. Property management will be done by Legacy Management, who also manages the rest of St. Andrews' housing properties.

Funding Rationale:

The CAB strongly supports the concept of the proposed affordable housing project, as well as SAHG as a potential community partner. Elements of the proposal that the CAB supported include:

- Will include supportive housing for veterans and homeless populations;
- Is consistent with the objectives of the King County 10 Year Plan and East King County Plan to End Homelessness, including providing units for individuals as well as families.
- Long term affordability to a vulnerable population, including housing affordable at 30% of median income;
- Strong leverage of other public and private funding;
- The site would be located convenient to employment, shopping and transit.
- Proposal takes advantage of using underutilized church property.

However, the CAB did not feel it was appropriate to take action at this time due to the nature of several of the issues related to the proposal. They strongly encouraged reapplying in the Spring Round as several issues are better clarified. These issues raised by the CAB are described below.

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Most significant of these is a pending land use approval from the City of Bellevue and a final determination of the property to be included in the proposal.

Following is a summary of several issues that it is assumed that an application in the Spring Funding Round will have either addressed, or will be able to provide more detailed information.

- Comprehensive plan amendment. This project requires a Comprehensive Plan amendment which is currently being reviewed by Bellevue and is expected that the City will consider in early 2008. Action by the City will provide clarification regarding the allowed use of the property.
- Determination of Property Area. Currently the applicant has a formal agreement with St Margarets. However St Andrews is also trying to secure another small adjacent parcel of land. Depending on the outcome of that negotiation, that could significantly impact the number of housing units and parking that can be provided. Parking needs may also trigger other parking arrangements by the Church and St Andrews. Because of the impact on the amount of housing that could be provided, resolution on the land area and parking should be addressed in a subsequent funding application.
- Development and operating budgets. Both development and operating budgets are preliminary and once there is more certainty on the unit count, can be better refined. This would also provide an opportunity to refine some other elements of the budgets including funding sources for supportive services and clarifying potential sources for potential Section 8 vouchers for the project.

**ARCH HOUSING TRUST FUND (HTF) RECOMMENDATION  
FALL 2007**

<b>Applicant</b>	<b>Housing Type</b>	<b># of units/ bdrms</b>	<b>Income served</b>	<b>Project Location</b>	<b>Duration of benefit</b>	<b>Total cost per unit</b>	<b>HTF cost per aff. unit</b>	<b>Funds Requested // Recommendation</b>
St Andrew's Housing Group  St. Margarets Apartments	New Construction	133	57 at 30% 40 at 50% 35 at 60% 1 Mngr Unit	4428 Factoria Blvd, SE  Bellevue	50 Years	\$240,147	\$11,364	<u>Request</u> \$1,500,000 (Loan) //  <u>Recommendation</u> \$ -0- Reapplication encouraged in Spring round
Friend's of Youth  New Ground Kirkland	Acquisition/ Rehab	6	6 at <30%  1 Mngr Unit	11005 NE 68 <sup>th</sup> St.  Kirkland	50 Years	\$296,946	\$44,667	<u>Request</u> \$ 268,000 (Secured Grant) //  <u>Recommendation</u> \$ 268,000 (Secured Grant)
Habitat for Humanity  Issaquah Highlands Homes	New Construction	10	10 at <50%	Issaquah Highlands  Issaquah	75 Years	\$ 294,150	\$20,000	<u>Request</u> \$200,000 (Secured Grant) //  <u>Recommendation</u> \$ 200,000 (Secued Grant)t
Housing at the Crossroads  Kensington Square	Amendment application for  New Construction	6	6 at <30%	8 <sup>th</sup> and 148 <sup>th</sup> in Bellevue	50 Years	\$327,201	Amendment \$16,666  Total \$41,667	<u>Request</u> \$50,000, plus portion of \$199,000 subsequent request to funders  <u>Recommendation</u> \$ 100,000 (Secured Grant)  (\$150,000 previous commitment)

FALL 2007 HOUSING TRUST FUND: PROPOSED FUNDING SOURCES

SOURCE	PROJECT				
		FOY New Ground Kirkland	Habitat Issaquah Highlands	Housing at Crossroads Bellevue	St Andrews St Margarets
<b>Request</b>		\$ 268,000	\$ 200,000	\$ 50,000 plus	\$ 1,500,000
<b>CAB Recommendation</b>		\$ 268,000	\$ 200,000	\$ 100,000	Return in Spring
Sub-Regional CDBG					
Bellevue					
CDBG General Fund		\$ 40,000		\$ 50,000	
Issaquah			\$ 100,000		
Kirkland					
General Fund		\$ 40,000		\$ 25,000	
Mercer Is.					
General Fund		\$ 20,000			
Redmond					
General Fund		\$ 40,000		\$ 25,000	
Newcastle					
General Fund		\$ 19,400	\$ 40,000		
Kenmore					
General Fund		\$ 25,000			
Sammamish					
General Fund		\$ 40,000	\$ 60,000		
Woodinville					
General Fund		\$ 20,000			
Clyde Hill					
General Fund		\$ 15,000			
Medina					
General Fund		\$ 2,500			
Yarrow Point					
General Fund		\$ 3,600			
Hunts Point					
General Fund		\$ 2,500			
TOTAL		\$ 268,000	\$ 200,000	\$ 100,000	
		\$ -	\$ -	\$ -	
CDBG General Fund		\$ 268,000	\$ 200,000	\$ 100,000	

# ARCH HOUSING TRUST FUND, FALL 2007

Leveraging Funds - - Based on Executive Board's Recommendation

	FRIENDS OF YOUTH		HABITAT FOR HUMANITY		HOUSING AT THE CROSSROADS				TOTAL
	New Ground Kirkland		Issaquah Highlands Townhomes		Kensington Square amendments				
ARCH	\$268,000	13%	\$200,000	7%		Previous			\$718,000
Committed					Amendment	Commitment	TOTAL		
Local Public					\$100,000	\$150,000	\$250,000	13%	
King County									
HOF/Challenge									
HOME									
CDBG									
HOPWA									
KC TOTAL	\$599,488	29%	\$800,000	27%	\$79,500	\$451,112	\$530,612	27%	\$1,930,100
WA HAP	\$534,030	26%	\$350,000	12%	\$0	\$462,837	\$462,837	23%	\$1,346,867
Federal/HUD									
Section 811									
McKinney									
FEDERAL TOTAL									
Tax Credits	\$0	0%	\$150,000	5%				0%	\$150,000
Federal Home Bank									
Bonds									\$0
Bank Loans	\$0	0%	\$0	0%	\$136,000	\$174,000	\$310,000	16%	\$310,000
Private	\$677,105	33%	\$1,441,500	49%	\$36,362	\$262,387	\$298,749	15%	\$2,417,354
Other	\$0	0%	\$0	0%	Sound Families	\$120,000	\$120,000	6%	\$120,000
<b>TOTAL COST</b>	<b>\$2,078,623</b>	<b>100%</b>	<b>\$2,941,500</b>	<b>100%</b>	<b>\$351,862</b>	<b>\$1,620,336</b>	<b>\$1,972,198</b>	<b>100%</b>	<b>\$6,992,321</b>

**ECONOMIC SUMMARY: NEW GROUND KIRKLAND**

1. Applicant/Description: FOY/ Acquisition/Rehab for 6 units permanent rental housing for 6 homeless young adults (age 18-21) with supportive services (plus a resident manager).

2. Project Location: 11005 NE 68<sup>th</sup> Street, Kirkland, Wa.

3. Financing Information:

<b>Funding Source</b>	<b>Funding Amount</b>	<b>Commitment</b>
ARCH	\$ 268,000	Applied for Fall 2007
King County	\$ 599,488	Applied for Fall 2007
State	\$ 534,030	Apply for Spring 2008
Private	\$ 677,105	Proposed
<b>TOTAL</b>	<b>\$ 2,078,623</b>	

4. Development Budget:

<b>ITEM</b>	<b>TOTAL</b>	<b>PER UNIT</b>	<b>HTF</b>
Acquisition	\$ 1,104,000	\$184,000	
Construction (rehab)	\$ 433,340	\$ 72,223	\$ 257,751
Design	\$ 22,000	\$ 3,667	
Consultants	\$ 61,287	\$ 10,215	
Developer fee	\$ 10,000	\$ 1,667	\$ 10,000
Finance costs	\$ 12,448	\$ 2,074	
Reserves	\$ 315,000	\$ 52,500	
Taxes/insurance	\$ 11,400	\$ 1,900	
Other	\$ 109,148	\$ 18,191	\$ 249
<b>TOTAL</b>	<b>\$ 2,078,623</b>	<b>\$346,437</b>	<b>\$268,000</b>

5. Debt Service Coverage: The project is proposed to serve very low income (<30% of median income). Therefore, no debt service is proposed.

6. Security for City Funds:

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

**ECONOMIC SUMMARY:**

**HABITAT ISSAQUAH HIGHLANDS TOWNHOMES**

1. Applicant/Description:

HFHEKC/ 10 units of new construction ownership housing for low income families. Includes 1 accessible unit

2. Project Location:

Issaquah Highlands, Issaquah, Wa.

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	\$ 200,000	Applied for Fall 2007
King County	\$ 800,000	Applied for Fall 2007
State	\$ 350,000	Apply for Dec 2007
HUD (Shop Grant)	\$ 150,000	Applied for Fall 2007
Donations/private fundraising	\$ 1,441,500	Proposed (\$813,400 committed)
<b>TOTAL</b>	<b>\$ 2,941,500</b>	

4. Development Budget:

ITEM	TOTAL	PER UNIT	HTF
Acquisition	\$ 452,000	\$ 45,200	\$ 125,000
Construction	\$ 2,193,000	\$ 219,300	
Design	\$ 130,000	\$ 13,000	
Developer Fee	\$	\$	
Finance Fees (includes Tax Credits)	\$	\$	
Permits/Fees	\$ 75,000	\$ 7,500	\$ 75,000
Utilities during const.	\$ 38,000	\$ 3,800	
Property taxes	\$ 12,000	\$ 1,200	
Insurance	\$ 8,000	\$ 800	
Other	\$ 1,000	\$ 100	
<b>TOTAL</b>	<b>\$ 2,941,500</b>	<b>\$ 294,150</b>	<b>\$ 200,000</b>

5. Debt Service Coverage: The project is proposed to serve low income (<50% of median income). Therefore, no debt service is proposed.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for at least 75 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the entire grant amount upon non-compliance with any of the conditions of funding approval.

**ECONOMIC SUMMARY: KENSINGTON SQUARE AMENDMENT**

1. Applicant/Description: HAC/ New construction for 6 units permanent rental housing for very low income (<30% of median income) households, with supportive services.

2. Project Location: 14727 NE 8<sup>th</sup> Street, Bellevue, Wa.

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	\$ 250,000	\$ 50,000 Applied for Fall 2007, \$150,000 already committed. (Additional \$50,000
King County	\$ 530,612	\$ 79,500 Applied for Fall 2007 \$451,112 already committed
State	\$ 462,837	Already committed (maximum award)
Private	\$ 558,732	Master Builders Care Foundation
Private Loan	\$ 310,010	WCRA-committed
Sound Families	\$ 120,000	Committed
Grants	\$ 98,503	Committed
Unspecified	\$ 199,294	Sources unspecified (ARCH recommendation includes \$50,000 of this
<b>TOTAL</b>	<b>\$ 2,479,988</b>	

4. Development Budget:

ITEM	TOTAL	PER UNIT	HTF
Acquisition	\$ 340,598	\$ 56,766	\$ 61,707
Construction (*includes \$319,057 donated labor)	\$ 1,705,298	\$ 284,216	\$ 130,983
Design	\$ 49,387	\$ 8,231	\$ 6,064
Consultants	\$ 59,772	\$ 9,962	\$ 9,696
Developer fee	\$ 77,000	\$ 12,833	\$ 15,000
Finance costs	\$ 108,773	\$ 18,129	
Reserves	\$ 21,077	\$ 3,513	
Permits/fees/insurance	\$ 109,262	\$ 18,210	\$ 26,050
Other	\$ 8,821	\$ 1,470	\$ 500

5. Debt Service Coverage: The project is proposed to serve very low income (<30% of median income). Therefore, no debt service is proposed.

6. Security for City Funds:

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

**FIGURE 1**  
**ARCH: EAST KING COUNTY TRUST FUND SUMMARY**  
**LIST OF PROJECTS FUNDED (1993 - Fall 2006)**

Project	Location	Owner	# Units/Beds	Funding	% of Total Allocation	Distribution Target
<b>1. Family Housing</b>						
Andrews Heights Apartments	Bellevue	St. Andrews	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 Apartments	Bellevue	DASH	36	\$270,000		
Somerset Gardens (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	St Andrews	14	\$163,333		
YWCA Family Apartments	K.C. (Bellevue Sphere)	YWCA	12	\$100,000		
Highland Gardens (Klahanie)	K.C. (Issaquah Sphere)	St. Andrews	54	\$291,281		
Crestline Apartments	K.C. (Kirkland Sphere)	Shelter Resources	22	\$195,000		
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	St. Andrews	18	\$442,000		
Village at Overlake Station	Redmond	KC Housing Authority	308	\$1,645,375		
Summerwood	Redmond	DASH	166	\$1,198,034		
Habitat - Bothell Site	Bothell	Habitat of EKC	8	\$170,000		
Habitat - Newcastle Site	Newcastle **	Habitat of EKC	12	\$240,837		
RoseCrest	Issaquah ***	St. Andrews	40	\$1,063,718		
Mine Hill	Issaquah	St. Andrews	28	\$450,000		
Clark Street	Issaquah	St Andrews	30	\$355,000		
Issaquah Highlands Property	Issaquah ***	SAHG/SRI	45	\$569,430		
Greenbrier Family Apts	Woodinville **	DASH	50	\$286,892		
Plum Court	Kirkland	DASH	61 /66	\$1,000,000		
Kenmore Court	Kenmore	LIHI	33	\$350,000		
ADU Loan Program	Various		6 est	\$70,000		
Homeowner Downpayment Loan	Various	KC/WSHFC/ARCH	60 est	\$415,000		
<b>SUB-TOTAL</b>			<b>1659</b>	<b>\$13,247,530</b>	<b>58.7%</b>	<b>(56%)</b>
<b>2. Senior Housing</b>						
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 /84	\$1,280,000		
Vasa Creek	K.C. (Bellevue Sphere)	Shelter Resources	50	\$190,000		
Riverside Landing	Bothell **	Shelter Resources	50	\$225,000		
Kirkland Plaza	Kirkland	St. Andrews	24	\$610,000		
Heron Landing	Kenmore	DASH/Shelter Resources	50	\$65,000		
Ellsworth House Apts	Mercer Island	St. Andrews	59	\$900,000		
Greenbrier Sr Apts	Woodinville **	DASH/Shelter Resources	50	\$131,192		
<b>SUB-TOTAL</b>			<b>417</b>	<b>\$4,631,192</b>	<b>20.5%</b>	<b>(19%)</b>

**FIGURE 1**  
**ARCH: EAST KING COUNTY TRUST FUND SUMMARY**  
**LIST OF PROJECTS FUNDED (1993 - Fall 2006)**

Project	Location	Owner	# Units/Beds	Funding	% of Total Allocation	Distribution Target
<b>3. Homeless/Transitional Housing</b>						
Hopelink Place	Bellevue	** Hopelink	20	\$500,000		
Chalet	Bellevue	St Andrews	4	\$46,667		
Kensington Square	Bellevue	Housing at Crossroads	6	\$150,000		
Dixie Price Transitional Housing	Redmond	Hopelink	4	\$71,750		
Avondale Park	Redmond	Springboard (EHA)	18	\$280,000		
Avondale Park Redevelopment	Redmond	** Springboard (EHA)	60	\$1,502,469		
Petter Court	Kirkland	KITH	4	\$100,000		
Talus Property	Issaquah	*** St. Andrews	10	\$265,930		
Issaquah Highlands Property	Issaquah	*** SAHG/SRI	5	\$70,000		
<b>SUB-TOTAL</b>			<b>113</b>	<b>\$2,986,815</b>		13.2% (13%)
<b>4. Special Needs Housing</b>						
My Friends Place	Uninc. KC	EDVP	6 Beds	\$65,000		
Stillwater	Redmond	Eastside Mental Health	19 Beds	\$187,787		
Foster Care Home	Kirkland	Friends of Youth	4 Beds	\$35,000		
DD Group Home 4	Redmond	Community Living	5 Beds	\$111,261		
DD Group Homes 5 & 6	Redmond/TBD	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	Bellvue/Kirkland	Aids Housing of WA.	10 Units	\$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		
IERR DD Home	Issaquah	IERR	6 Beds	\$50,209		
Foster Care Home	Bothell	FOY	4 Beds	\$50,000		
Oxford House	Bothell	Oxford/Compass Ctr.	8 Beds	\$80,000		
Parkview DD Homes VI	Bellevue/Bothell	Parkview	6 Beds	\$150,000		
<b>SUB-TOTAL</b>			<b>109 Beds/Units</b>	<b>\$1,685,466</b>		7.5% (12%)
<b>TOTAL</b>			<b>2298</b>	<b>\$22,551,003</b>		<b>100.0%</b>

\* Funded through Bellevue Downtown Program

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

\*\*\* Amount of Fee Waiver still to be determined