

RESOLUTION R-5524

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE DULY-APPOINTED ADMINISTERING AGENCY FOR A REGIONAL COALITION FOR HOUSING (ARCH) TO EXECUTE ALL DOCUMENTS NECESSARY TO ENTER INTO AN AGREEMENT FOR THE FUNDING OF AFFORDABLE HOUSING PROJECTS, AS RECOMMENDED BY THE ARCH EXECUTIVE BOARD, UTILIZING FUNDS FROM THE CITY'S HOUSING TRUST FUND.

1 WHEREAS, A Regional Coalition for Housing (ARCH) was  
2 created by interlocal agreement to help coordinate the efforts of  
3 Eastside cities to provide affordable housing; and  
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5 WHEREAS, the ARCH Executive Board has recommended  
6 that the City of Kirkland participate in the funding of certain  
7 affordable housing projects hereinafter described; and  
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9 WHEREAS, the ARCH Executive Board has developed a  
10 number of recommended conditions to ensure that the City's  
11 affordable housing funds are used for their intended purpose and  
12 that projects maintain their affordability over time; and  
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14 WHEREAS, the City Council approved Resolution R-4804 on  
15 March 2, 2010, approving the Amended and Restated Interlocal  
16 Agreement for ARCH; and  
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18 WHEREAS, the City Council desires to use \$1,080,000 from  
19 the City's Housing Trust Funds as designated below to finance the  
20 projects recommended by the ARCH Executive Board.  
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22 NOW, THEREFORE, be it resolved by the City Council of the  
23 City of Kirkland as follows:  
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25 Section 1. The City Council authorizes the duly-appointed  
26 administering agency of ARCH, pursuant to the Amended and  
27 Restated Interlocal Agreement for ARCH, to execute all  
28 documents and take all necessary actions to enter into  
29 Agreements on behalf of the City with:  
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31 LifeWire Hope Starts Here in an amount not to exceed  
32 \$53,000;  
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34 Life Enrichment Options at Trailhead in an amount not  
35 to exceed \$105,900;  
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37 Inland Group/Horizon Housing Alliance Horizon at  
38 Totem Lake Apartments in an amount not to exceed  
39 \$635,200; and  
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41 Friends of Youth New Ground Kirkland in an amount  
42 not to exceed \$285,900.

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Section 2. The agreements entered into pursuant to Section 1 of this Resolution shall be funded in a total amount not to exceed \$1,080,000. Such agreements shall include terms and conditions to ensure that the City's funds are used for their intended purpose and that the affordability of projects is maintained over time. In determining what conditions should be included in the agreements, the duly-appointed administering agency of ARCH shall be guided by the recommendations set forth in the ARCH Executive Board's memorandum as of December 9, 2021, a copy of which is attached hereto as Exhibit A.

Passed by majority vote of the Kirkland City Council in open meeting this 15 day of March, 2022.

Signed in authentication thereof this 15 day of March, 2022.

  
\_\_\_\_\_  
Penny Sweet, Mayor

Attest:

  
\_\_\_\_\_  
Kathi Anderson, City Clerk



# A REGIONAL COALITION FOR HOUSING

EXHIBIT A

**TOGETHER CENTER CAMPUS**  
**16307 NE 83RD ST, SUITE 201**  
**REDMOND, WA 98052**  
**425-861-3677**

## MEMORANDUM

<p><b>TO:</b> City of Bellevue Council Members City of Clyde Hill Council Members City of Issaquah Council Members City of Kirkland Council Members City of Mercer Island Council Members City of Redmond Council Members City of Woodinville Council Members</p>	<p>City of Bothell Council Members Town of Hunts Point Council Members City of Kenmore Council Members City of Medina Council Members City of Newcastle Council Members City of Sammamish Council Members Town of Yarrow Point Council Members</p>
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**FROM:** Kurt Triplett, Chair, ARCH Executive Board

**DATE:** December 9, 2021

**RE:** Fall 2021 Housing Trust Fund (HTF) Recommendation

The 2021 ARCH Housing Trust Fund round confirmed the increasing demand for funding to support affordable housing development in East King County. ARCH received five applications representing requests for just over \$3.8 million dollars in local funds to develop 344 units of affordable housing. After careful deliberation, the ARCH Executive Board concurred with the recommendations of the ARCH Citizen Advisory Board (CAB), and is recommending funding of \$3,175,000 for four projects, including supplemental funding of \$1.5 million to cover cost increases to a project that received an award in 2020.

**These recommendations advance projects that meet urgent local priorities, including mixed income workforce housing, transitional and emergency housing for victims of domestic violence, affordable housing for youth seeking to further their career and education, and much needed affordable housing for individuals with developmental disabilities to be integrated into a transit-oriented development.**

In the last three decades, the ARCH Trust Fund has supported nearly 4,500 units of affordable housing and shelter beds, more than any other program in East King County, notably creating housing for those with the greatest needs and the fewest opportunities to live in our community. As rents continue to rise in our region, so does the need for affordable housing. Your investment in the ARCH Housing Trust Fund, leveraged with millions of dollars from other sources, will provide this much needed housing to hundreds of underserved members of our community.

### ARCH MEMBERS

**BEAUX ARTS VILLAGE ♦ BELLEVUE ♦ BOTHELL ♦ CLYDE HILL ♦ HUNTS  
POINT ♦ ISSAQUAH ♦ KENMORE ♦ KIRKLAND ♦ MEDINA ♦ MERCER  
ISLAND ♦ NEWCASTLE ♦ REDMOND ♦ SAMMAMISH ♦ WOODINVILLE ♦ YARROW  
POINT ♦ KING COUNTY**

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Below is a description of the applications received, the Executive Board recommendation and rationale, and proposed contract conditions for the proposals recommended for funding at this time. Also enclosed is the proposed funding sources and an economic summary of the projects recommended for funding.

**Attachments:**

1. Proposed Funding Sources
2. Project Economic Summaries

Note that bolded text in proposed conditions shows unique conditions in otherwise standard text.

**1. LifeWire – Hope Starts Here**

**Funding Request:** \$750,000 (Secured Grant)  
25 Affordable Units

**Executive Board Recommendation:** \$750,000 (Secured Grant)  
See attached Proposed Funding Sources for distribution of City Funds

**Project Summary:**

The proposed project is the rehabilitation of an existing three building site in Bellevue currently owned by LifeWire into 25 one and two-bedrooms units of affordable housing plus the new construction of a building for providing services to domestic violence (DV) survivors. The project is the culmination of several years of planning by LifeWire to consolidate two existing programs located in less-than-ideal facilities, plus add capacity with five additional units to serve the overwhelming need among DV survivors.

The project will serve single women and women with children impacted by domestic violence who do not have other options for housing. The project will contain 15 emergency housing units and 10 transitional housing units. The ten transitional units will serve survivors who are also recovering from substance abuse and are parenting. Nine apartments will be renovated to accommodate survivors with mobility issues. The project will serve residents earning 0-50% AMI.

The scope of the rehabilitation includes system and finish upgrades, new roofs, new secure entry door systems, sewer lines, flooring, and where needed, new cabinets, countertops, appliances, and fixtures. Due to the nature of the population the exact location of the project must be kept confidential.

**Funding Rationale:**

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

- The project aligns with the local Affordable Housing Strategy and would further the City of Bellevue’s goals to achieve 2,500 affordable units over 10 years.
- The project serves a special needs population (domestic violence survivors).

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- The project will prioritize survivors with the greatest safety risks and highest barriers to housing and services.
- The project will allow a dependable, long standing non-profit service provider the ability to consolidate its resources and provide more efficient services to residents.
- The project provides significant financial leverage of other resources.
- Site has convenient access to transit, shopping, and services.

**Proposed Conditions:**

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

**Special Conditions:**

1. The funding commitment 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 Agency will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider a twelve-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the Agency will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.
2. Funds shall be used by Agency toward **soft costs, design, permits and construction**. Funds may not be used for any other purpose unless ARCH staff has given written authorization for the alternate use. If after the completion of the project there are budget line items with unexpended balances, ARCH and other public funders shall approve adjustments to the project capital sources, including potentially reductions in public fund loan balances.
3. 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.
4. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow ARCH Net Developer Fee Schedule. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.
5. A covenant is recorded ensuring affordability for at least 50 years, with size and affordability distribution per the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by ARCH staff.

Affordability	1-bedroom	2-bedroom	Total
30%	14	6	20
50%	3	2	5
<b>Total</b>	<b>17</b>	<b>8</b>	<b>25</b>

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- 6. Based on the availability of adequate support services, the project will contain 15 emergency housing units and 10 transitional housing units, unless otherwise approved by ARCH. LifeWire will work with the DV Coordinated Entry system, known as the Domestic Violence Coordinated Housing Access Point (DVCHAP) for referrals, or other referral system as approved by ARCH.
- 7. ARCH shall review and approve the services budget and services plan for consistency with application.

**2. Life Enrichment Options – LEO at Trailhead**

Funding Request:                               \$250,000 (Secured Grant)  
   5 affordable rental units; 1 manager unit

Executive Board Recommendation:       \$250,000 (Secured Grant)  
   See attached Proposed Funding Sources for distribution of City Funds

**Project Summary:**

The LEO at Trailhead project will provide 5 units of affordable housing for individuals with developmental disabilities (DD units) with an additional studio unit for a 24/7 live-in care provider, fully integrated into a mixed-income, mixed-use Transit Oriented Development (TOD) in Central Issaquah. All of the DD units are single room occupancy (SRO), and all will serve residents at or below 30% of area median income (AMI). LEO is partnering with King County Housing Authority (KCHA), Spectrum Development Solutions and the City of Issaquah to accomplish this project.

LEO will be situated on the first residential floor within the Trailhead building, above two levels of commercial and parking, and will be integrated into the rest of the affordable housing units operated by KCHA. KCHA is serving as LEO’s development consultant and will sell the completed units to LEO upon completion. In addition, the Central Issaquah TOD Project will have spaces for other supportive services like a health center (Health Point), a behavioral health clinic (Valley City), and an Opportunity Center, which will be owned and operated by the city.

The project will include shared amenities dedicated to LEO including a living room, laundry, lounge / entertainment space, and kitchen. LEO tenants will have access to rest of the amenity spaces offered in the Trailhead building.

LEO’s model is based on contracting with licensed long-term care professionals who live on-site in homes owned and managed by LEO. Care providers must adhere to minimum standards of care and provide 24- hour care to our residents, under the supervision of Department of Social and Health Services (DSHS) and the Developmental Disabilities Administration (DDA). LEO will serve as the landlord for the project and will enter into an agreement signed by a care provider chosen by LEO.

**Funding Rationale:**

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

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- The project aligns with the City of Issaquah Housing Strategy and fulfills a key component of a larger project that has been a longstanding City priority.
- The project is part of a larger partnership with King County Housing Authority, Spectrum Development Solutions and the City of Issaquah which will create significant affordable housing.
- The TOD project is expected to act as a catalyst for the whole neighborhood economic development in an area within the City’s Regional Growth Center.
- The project is sited at an excellent location, across the street to Tibbetts Valley Park, a thirty-acre active recreational community park, directly next to a light rail site is planned to open in 2041, and next to the Issaquah Transit Center which offers frequent, all-day transit service.
- The project serves a special needs population (developmentally disabled individuals).

**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 the acquisition of the completed units.
2. ARCH’s funding commitment shall continue for **thirty-six (36) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the Agency 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 Agency 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 **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.
4. A covenant is recorded ensuring affordability for at least 50 years, with affordability generally as shown in the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by ARCH staff.

Affordability	Beds	Total
30% AMI	5	5
manager unit	1	1
<b>TOTAL</b>	<b>6</b>	<b>6</b>

5. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow the schedule established by ARCH. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.

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6. Based on the availability of adequate support services, the project will contain 5 units or beds for residents with Developmental Disabilities, unless otherwise approved by ARCH. LEO will work with Medicaid for referrals, or other referral method as approved by ARCH.

**3. Inland Group/Horizon Housing Alliance – Horizon at Totem Lake**

**Initial Funding Request:** \$1,500,000 (Deferred, Contingent Loan) in addition to \$4,000,000 awarded from the 2020 funding round.

**Executive Board Recommendation:** \$1,500,000 (Deferred, Contingent Loan) See attached Proposed Funding Sources for distribution of City Funds

**Project Summary:**

Based on their successful proposal for the Together Center redevelopment, Inland/Horizon seek to create a similarly configured affordable development comprising 300 income-restricted units supplemented by an additional 168 workforce rental units in the redeveloping Totem Lake neighborhood of Kirkland.

The proposed project is located at the site of a former new car dealership will consist of three residential towers with level 1 of sub-grade parking and 2 levels of above grade parking. The first floor will consist of common areas/commercial space and the majority of the residential units will be on the third floor and above. The project proposes to utilize 9% tax credits in 40 units affordable at 30% and 50% AMI, of which 30 would be set aside for those exiting homelessness. Another 260 units is proposed at 50% and 60% AMI, which will be funded through 4% tax credits and tax-exempt bond financing. The project includes a partnership with Hopelink to provide services to the formerly homeless households.

In the most recent ARCH funding round, \$4 million was approved for the project, which applied for but was unsuccessful in its first effort to obtain Low Income Housing Tax Credits. To ensure the project is able to move forward and compete again for tax credits, additional funding is needed to meet cost increases that have occurred in the last year. Separately, the City of Kirkland has already provided an early commitment to release \$2.5 million for site acquisition, and Microsoft has provided \$18 million in initial funding through the ELAP program which is administered by the Washington State Finance Commission for the acquisition of the property. The property acquisition will be completed in December 2021.

**Funding Rationale:**

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

- The project has the opportunity to deliver mixed income housing on a significant scale in a location with access to transit and other amenities.
- The project leverages a significant amount of tax credit and other public and private financing.
- If successful in obtaining a 9% allocation, the project would provide housing for homeless families as well as other low-income families and individuals.
- If unsuccessful in obtaining a 9% allocation, the project would still deliver a significant amount of housing affordable to a range of incomes.
- The project will deliver a large amount of family-sized, 3-bedroom units.



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- The developer is vertically integrated and able to bring cost efficiencies to the development. The project will be co-located with workforce housing creating a project of around 470 units built simultaneously, bringing an economy of scale.
- The project would allow timely investment of in lieu fees collected from a downtown Kirkland development to invest in another redeveloping neighborhood.
- The 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 **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 grant up to a 12-month extension.
2. Funds shall be used by the Agency towards **acquisition, soft costs, and 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 defer payment if certain conditions are met (e.g. low cash flow due to unexpected costs). Any requested deferment of loan payment is subject to approval by ARCH Staff, and any deferred payment would be repaid from future cash flow or at the end of the amortization period.
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. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.
6. A covenant is recorded ensuring affordability for at least 50 years, with affordability generally as shown in the following table. **Limited changes to the unit mix may be considered based on reasonable justification as approved by ARCH staff. If the project is unsuccessful in securing 9% tax credits in the current round, the project may shift the allocation of units set aside at 30% AMI to either 50% or 60% AMI. The total number of units affordable up to 60% AMI may not be decreased by more than 10%. The total number of units affordable up to 50% AMI may also not be decreased by more than 10%.**

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Affordability	Studio	1 BR	2BR	3BR	Total
30%		8	8	4	20
50%	5	23	49	19	96
60%	12	38	97	47	184
Total	17	69	154	60	300

7. The combined final loan amount shall be up to \$5.5 million, subject to approval by ARCH staff based on a documented funding gap. ARCH reserves the right to reduce its total loan amount based on changes to the project sources and uses, and unit mix.
8. The Agency shall submit evidence of private funding commitments for all components of the project, including the workforce housing. In the event commitment of funds cannot be secured consistent with the timeframe identified in the application, the Agency shall immediately notify ARCH, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to ARCH review and approval.
9. Agency must submit for ARCH staff approval a management and services plan which includes coordination of services with outside providers and parking management.
10. 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.
11. The Agency shall work with the city to minimize required parking and to provide alternative transportation options for the residents that reduce reliance on private automobiles, such as provision of public transit passes, bike storage, car sharing programs and other incentives. The Agency may charge for parking, subject to approval by ARCH staff, provided that the Agency has minimized the overall cost burden on residents with the lowest incomes.
12. In the interest of discouraging segregation of residents by income within the project, the Agency shall look for ways to integrate the population across the project with shared amenities, unifying aesthetics and other programmatic features to build community within the project.
13. The Agency will establish a services reserve account in the amount of no less than \$1.6M to be used for services expenses to fill gaps in operating income, unless other ongoing resources for supportive services is identified, as approved by ARCH. A services reserve budget must be approved by ARCH at the close of permanent finance and will be monitored on an annual basis for consistency with the services plan. Any deviation from the services budget must be pre-approved by ARCH.

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**4. Friends of Youth New Ground Kirkland Redevelopment**

Funding Request: \$675,000 additional to previously invested \$250,000 awarded in 2005 (Secured Grant)

14 total affordable bedrooms/suites replacing existing 8 units

Executive Board Recommendation: \$675,000 (Secured Grant)

**Project Summary:**

Friends of Youth (FOY) proposes to redevelop a site currently in their portfolio in the Houghton neighborhood of Kirkland into 14 bedrooms/suites of affordable housing at 30% AMI for youth between the ages of 18 to 24. The existing building would be extensively rehabbed including an alteration to accommodate four additional bedrooms. The target population would be clients who are ready for independent living, likely pursuing education or entry level employment, including young adults who are not current clients of the agency. The renovation supports FOY goals to diversify housing options across its portfolio and create projects that are economically sustainable and not dependent on annual fundraising.

**Funding Rationale:**

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

- This project represents an opportunity to rehab and extend the useful life of a vacant building within an agency current portfolio.
- The project would increase the number of young adults that it can serve at this property by adding two more bedrooms/suites.
- The project is well located in a neighborhood with transit, amenities and access to educational and job opportunities for young adults.
- The project leverages a significant amount of other public funding.
- The project helps to advance the City of Kirkland's recently adopted affordable housing targets, which aim to achieve over 12,000 affordable units by 2044.
- The project serves a special needs population (young adults).

**Special Conditions:**

1. The funding commitment 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 Agency will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider a twelve-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the Agency will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.
2. Funds shall be used by Agency toward **soft costs, design, permits and construction**. Funds may not be used for any other purpose unless ARCH staff has given written authorization for the alternate use. Spending of construction contingency must be approved in advance by ARCH. If after the

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completion of the project there are budget line items with unexpended balances, ARCH and other public funders shall approve adjustments to the project capital sources, including potentially reductions in public fund loan balances.

3. 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.
4. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow ARCH Net Developer Fee Schedule. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.
5. A covenant is recorded ensuring affordability for at least 50 years, with size and affordability distribution per the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by ARCH staff.

Affordability	1-bedroom/suite	Total
30%	14	14
Total	14	14

6. ARCH shall review and approve the services budget and services plan for consistency with application.
7. Agency must provide a parking plan which will encourage minimal parking and include within the project design bike facilities to inspire less vehicle use.
8. Agency must review the project design in an effort to maximize private space and security of private space and minimize common space. Design must propose security measures to encourage privacy such as locks in private areas.
9. If not included within the proposed design, Agency shall evaluate and consider permanent mini fridge/mini kitchen in each room to improve privacy and independence.
10. Agency shall evaluate and consider the maximization of sustainability features such as in efficient building envelope, heat pumps and propose a plan for the maximization of sustainability.
11. Agency shall present a plan to ARCH for managing the leasing and use of the common space that will explain how Agency will match residents, delineate the responsibilities for the lease/sub-lease, and handle management of each suite and common spaces.
12. Agency shall provide to ARCH for review a Capital Needs Assessment for all buildings in ARCH's portfolio.

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**5. Attain Housing – Totem Six Plex**

Funding Request: \$650,000 (Secured Grant)  
6 new housing units

Executive Board Recommendation: \$0

**Project Summary:**

The proposed project is the new construction of a three-story structure with six two-bedroom units of transitional housing for homeless families earning up to 30% of area median income (AMI). The property currently contains of an existing four plex building owned and managed by Attain Housing. Attain also manages the four plex on the lot next to the proposed construction site. The proposed new building will sit in what is currently a lawn between the two four plex buildings. The project represents an expansion of existing programs operated by Attain, with overall capacity growing from 8 to 14 units across the three buildings.

**Funding Rationale:**

The Executive Board potentially supports the concept of the Attain Housing proposal but does not recommend funding at this time. The Executive Board would welcome an application in the next round. This would provide an opportunity for Attain Housing to address the issues identified below:

- Further development of building design, siting and parking and conformance with zoning requirements.
- Identification of other public funding sources included in the development budget.
- Identification of adequate project management capacity, including recommended engagement of a development consultant who will assist with the financing and project management of the project through construction completion.
- Definition of agency priorities including a rehab which the agency has indicated is its other top priority.
- Development of an updated development budget and operating budget which addresses in increases in construction costs based on and updated cost estimate and funding to address the additional cost increases.
- Development of a project schedule consistent with the proposed funding and local permitting requirements.
- Further discussion of long-term strategy for funding supportive services for transitional housing.

**Standard Conditions (Apply to all projects):**

1. The Agency shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by ARCH staff. If the Agency is unable to adhere to the budgets, ARCH must be immediately notified and (a) new budget(s) shall be submitted by the Agency for ARCH's approval. ARCH 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 ARCH's commitment of funds.

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2. 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 ARCH, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to ARCH 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 Agency shall maintain documentation of any necessary land use approvals and permits required by the city in which the project is located.
5. The Agency shall submit monitoring quarterly reports through completion of the project, and annually thereafter, and shall submit a final budget upon project completion. If applicable, Agency shall submit initial tenant information as required by ARCH.
6. Agency shall maintain the project in good and habitable condition for the duration of period of affordability.