



MEDINA, WASHINGTON

AGENDA BILL

December 9, 2024

Subject: ARCH Consents to Assignment

Category: Consent Calendar

Staff Contact: Stephen R. Burns, City Manager

Summary

In January 2024, Attain Housing experienced a leadership transition as its Executive Director resigned. In response, the Attain Board of Directors (“Board”) hired an Interim Executive Director from LPA, a consultancy serving local nonprofit organizations. LPA, as a routine practice, promptly began to assess the organization’s status before providing findings and recommendations to the Board. Upon receiving LPA’s findings and recommendation, the Board determined Attain required financial assistance and the help of a strategic partner to 1) sustain short-term operations of 32 agency-owned affordable housing units (and related services) as it wound down its operations, while 2) devising a plan to ensure long-term ownership and operations of those units.

In February 2024, Attain Housing notified ARCH of its current situation and began seeking local housing providers, of which Hopelink was identified as both experienced and well-aligned with Attain’s mission. Attain and Hopelink began discussions and entered into a Program Management Agreement, effective March 19, 2024, wherein Hopelink would provide immediate stewardship while the agencies began exploring a potential merger. Meanwhile, in close partnership with ARCH and the City of Kirkland, an Attain Housing Grant, effective April 1, 2024, was provided to help cover expenses of short-term operational costs of Attain’s 32 housing units.

After entering into the Program Management Agreement, Hopelink and Attain Housing continued discussing a potential permanent relationship. Through the summer of 2024, Hopelink evaluated due diligence, and the agencies concluded a merger provided the best long-term solution for current and future residents. The organizations prepared a Merger Agreement that would facilitate the preservation of valuable affordable housing within East King County. Consents to Assignment of ARCH loan documents – from Attain Housing to Hopelink – must be signed as a condition of making the merger effective.

ARCH is helping facilitate the merger of two East King County affordable housing providers, Attain Housing and Hopelink, and the attached memo provides background information. The merger impacts ownership of Petter Court, a property that received financing from Medina via the ARCH Housing Trust Fund. The property remains encumbered by an ARCH Deed of Trust and ARCH Regulatory Agreement.

For the merger to become effective, Attain, Hopelink and ARCH members must execute consents to assignment of ARCH legal documents from Attain to Hopelink. As the current ARCH member, ARCH is requesting Medina’ approval of the merger.

Staff is requesting that Council approve of this request.

Discussion

City staff has provided the attached background memo.

“ARCH Consent to Assignment” meets and supports Council’s priority 3.

Council Priorities:

1. Financial Stability and Accountability
2. Quality Infrastructure
3. Efficient and Effective Government
4. Public Safety and Health
5. Neighborhood Character and Community Building

Attachments:

- 1) Background Memo
- 2) Consent to Assignment

Budget/Fiscal Impact: None

Recommendation: Approve.

City Manager Approval: 

Proposed Council Motion: “I make a motion that the City of Medina approve the consents of assignment as an ARCH member.”