

**CITY OF MERCER ISLAND, WASHINGTON  
RESOLUTION NO. 1689**

**A RESOLUTION OF THE CITY OF MERCER ISLAND, WASHINGTON  
APPROVING REVISIONS TO THE HOUSE KEY PLUS ARCH (EAST KING  
COUNTY) DOWN PAYMENT ASSISTANCE PROGRAM, AUTHORIZING  
EXECUTION OF RELATED AGREEMENTS, AND RATIFYING PRIOR ACTIONS  
TAKEN IN SUPPORT OF SAID PROGRAM, ALL AS RECOMMENDED BY THE  
EXECUTIVE BOARD FOR A REGIONAL COALITION FOR HOUSING (ARCH).**

WHEREAS, pursuant to an interlocal agreement executed under chapter 39.34 RCW, the City of Mercer Island is a long standing member of A Regional Coalition of Housing (ARCH), a cooperative partnership of fifteen cities and towns in East King County, working together to promote affordable housing through shared goals, coordinated policies, and the strategic use of public funds;

WHEREAS, the City previously executed an "Agreement Regarding Down Payment Assistance House Key Plus ARCH (East King County) Program" and a "First Amended and Restated Agreement Regarding Down Payment Assistance House Key Plus ARCH (East King County) Program," which established and provided funding for down payment and closing cost assistance to single-family homebuyers in the form of second and subordinate loans;

WHEREAS, in its capacity as the ARCH Administering Agency, the City of Bellevue executed a "Second Amended and Restated Agreement Regarding Down Payment Assistance House Key Plus ACRCH (East King County) Program" on behalf of the City to provided additional funding in support of the program;

WHEREAS, as part of the 2025 Housing Trust Fund Allocation Process, the ARCH Executive Board has recommended certain programmatic changes to the program to facilitate increased utilization by low- and moderate-income families in East King County;

WHEREAS, these programmatic changes require execution of a Third Amended and Restated Agreement, which agreement will rename the program the East King County Down Payment Assistance Program and will replace and supersede all previous agreements executed by or on behalf of the City; and

WHEREAS, the City finds the programmatic changes serve the public interest by expanding access to homeownership opportunities for low- and moderate-income households, thereby promoting housing stability, economic mobility, and community well-being;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AS FOLLOWS:**

**Section 1.** The City Council authorizes the duly-appointed administering agency of ARCH, pursuant to the Amended and Restated Interlocal Agreement for ARCH, to execute all documents and take all necessary actions to enter into agreements on behalf of the City to revise the House Key Plus ARCH (East King County) Down Payment Assistance Program, which shall henceforth be known as the East King County Down Payment Assistance Program, all as recommended by the ARCH Executive Board.

**Section 2.** The agreement(s) entered into pursuant to Section 1 of this Resolution shall include terms and conditions to ensure that the City's funds are used for their intended purposes. 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 11, 2025, a copy of which is attached hereto as Attachment A.

**Section 3.** The agreement(s) entered into pursuant to Section 1 of this Resolution shall supersede and replace any and all agreements that related to earlier versions of the program and were previously executed by or on behalf of the City; and the duly-appointed administering agency shall be authorized to execute consents, amendments, or other modifications to subsidiary agreements, obligations, interests, or instruments previously created under any superseded and replaced agreements as may be necessary to effectuate the transition to and/or implementation of the current program.

**Section 4.** The City hereby ratifies and affirms all prior agreements and instruments previously executed by the duly-appointed administering agency relating to the "Second Amended and Restated Agreement Regarding Down Payment Assistance House Key Plus ARCH (East King County) Program." This ratification is intended to confirm, to the extent necessary, the validity of said prior agreement and any subsidiary agreements, obligations, interests, or instruments created thereto.

PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, AT ITS MEETING ON FEBRUARY 17, 2026.

CITY OF MERCER ISLAND

ATTEST:

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David Rosenbaum, Mayor

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Andrea Larson, City Clerk

**Attachment A: DPA Funding Contributions and ARCH Member City Contributions**

### DPA Program Funding Commitments

	ARCH Funding	King County Funding*	WSHFC Funding	TOTAL
Initial Capitalization (2005)	\$200,000	\$300,000	\$300,000	\$800,000
First Recapitalization (2007)	\$200,000	\$300,000	\$300,000	\$800,000
Second Recapitalization (2012)	\$200,000	\$300,000	\$300,000	\$800,000
<b>TOTAL</b>	<b>\$600,000</b>	<b>\$900,000</b>	<b>\$900,000</b>	<b>\$2,400,000</b>

\*Note that \$380,000 in King County funding was withdrawn from the program over time due to expenditure delays that were inconsistent with rules for the County's source of funds (federal HOME/ADDI funds)

### ARCH City Contributions

City	Initial Capitalization	First Recapitalization	Second Recapitalization
Bellevue*	\$65,000	\$75,000	\$45,000
Clyde Hill	\$2,500		
Issaquah		\$5,000	\$25,000
Kenmore	\$12,500	\$25,000	\$25,000
Kirkland	\$40,000	\$35,000	\$30,000
Medina	\$2,500		
Mercer Island	\$12,500	\$10,000	
Newcastle	\$7,500	\$10,000	\$12,500
Redmond	\$50,000	\$35,000	\$28,500
Sammamish			\$25,000
Woodinville	\$7,500	\$5,000	\$9,000
<b>TOTAL</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>

\*An additional \$15,000 was funded for homebuyer education in the initial capitalization