



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6863
February 3, 2026
Consent Agenda

AGENDA BILL INFORMATION

TITLE:	AB 6863: ARCH Administrative Agency Delegation (Resolution No. 1688)	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution
RECOMMENDED ACTION:	Approve Resolution No. 1688 delegating the administrative duties for pre-2010 ARCH Housing Trust Fund financing agreements to the Administering Agency (City of Bellevue).	

DEPARTMENT:	Community Planning and Development
STAFF:	Jeff Thomas, Community Planning and Development Director Alison Van Gorp, Deputy Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. ARCH Administering Agency Delegation Memo 2. Resolution No. 1688
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

The purpose of this agenda bill is to adopt a resolution to delegate the administrative duties for the A Regional Coalition for Housing (ARCH) Housing Trust Fund financing agreements that pre-date the [2010 Interlocal Agreement Amendment](#) to the Administering Agency (City of Bellevue).

- The City of Bellevue is the “Administering Agency” and is responsible for managing the ARCH financing agreements from July 2010 to present. This process was established in July 2010 when the ARCH cities approved an [Amended and Restated Interlocal Agreement](#).
- The 63 financing agreements established prior to July 2010 are administered by the cities that provided funding for those specific projects through the ARCH Housing Trust Fund (Housing Trust Fund). This means that any changes to these agreements require approval by all of the cities that contributed funding, which is a time-consuming and inefficient process.
- The Housing Trust Fund projects that Mercer Island contributed to are summarized in Exhibit 1.
- Resolution No. 1688 (Exhibit 2) will delegate administration of the pre-2010 projects and the respective financing agreements to the City of Bellevue as the Administering Agency.

BACKGROUND

ARCH was established in 1993 by an interlocal agreement to create and preserve affordable housing throughout the greater East King County community. Mercer Island contributes annually to ARCH to provide administrative support for the organization's housing activities and capital support for the creation and preservation of affordable housing. The coordinated approach used by ARCH provides for an efficient use of resources in fulfilling each member city's obligations under the Washington State Growth Management Act (GMA) to make adequate provisions for the existing and projected housing needs of all economic segments of the community (RCW 36.70A.070(2)), as well as sharing resources with regional partners in the provision and administration of affordable housing. Please refer to [AB 6859](#) for additional background information on ARCH.

ADMINISTERING AGENCY DELEGATION FOR PRE-2010 CONTRACTS

Prior to 2010, ARCH member cities and towns individually managed certain administrative responsibilities for contracts awarded through the Housing Trust Fund.

In July 2010 the ARCH cities approved an [Amended and Restated Interlocal Agreement](#), which established the City of Bellevue as the Administering Agency for ARCH. This change provided centralized oversight and management for all ARCH contracts post-July 2010. The City of Bellevue also handles execution of any administrative updates to these financing agreements.

The 63 financing agreements established prior to July 2010, however, are still administered by the cities that provided funding for those specific projects through the Housing Trust Fund. Currently, when an update to a financing agreement executed prior to 2010 is needed (and Mercer Island funds were used for the project), the Mercer Island City Council is required to approve the amended agreement. This is a very time-consuming and inefficient process.

ISSUE/DISCUSSION

ARCH and its member cities worked with the Bellevue City Attorney's Office to draft a resolution to formally delegate to the City of Bellevue the authority to carry out administrative actions for contracts initiated prior to July 2010. This delegation will:

- Simplify processes by consolidating administrative responsibilities under the Administering Agency,
- Streamline contract management for legacy agreements,
- Save staff time for ARCH member cities by eliminating administrative tasks on routine agreement modifications, and
- Ensure consistency in how contracts are managed at ARCH.

The specific authority delegated to the Administering Agency includes, but is not limited to, negotiating and executing any assignments, subordination agreements, and partial releases of security instruments.

The ARCH Executive Board approved delegating the administrative duties for pre-2010 Housing Trust Fund financing agreements to the City of Bellevue (Exhibit 1). Exhibit 1 also identifies the specific projects that are affected for each ARCH jurisdiction. Resolution No. 1688 (Exhibit 2) grants administrative authority to the City of Bellevue for the pre-2010 Mercer Island funded projects.

NEXT STEPS

If Resolution No. 1688 is approved by the City Council, administration of pre-July 2010 Housing Trust Fund financing agreements will be assigned to the City of Bellevue as the Administering Agency. No further action is required related to this matter.

RECOMMENDED ACTION

Approve Resolution No. 1688 delegating the administrative duties for pre-2010 ARCH Housing Trust Fund financing agreements to the Administering Agency (City of Bellevue).