

A REGIONAL COALITION FOR HOUSING

QUARTERLY REPORT

FOR THE

ARCH EXECUTIVE BOARD

First Quarter 2022

Table of Contents

- I. Affordable Housing Investment**
- II. Housing Policy and Planning**
- III. Housing Program Implementation**
- IV. Education and Outreach**
- V. ARCH Operations**

I. AFFORDABLE HOUSING INVESTMENT

A. ARCH Housing Trust Fund

ARCH staff worked with individual cities to prepare materials for City Council approvals of the four projects that were recommended for funding in December 2021. Most cities completed their approvals in Q1, with the remainder expected to be completed in Q2. The total capital investment for the 2021 HTF rounds was \$3,175,000. Together with the Trust Fund recommendations, the City of Bellevue also approved the capital investment of \$1.6M of HB 1590 funding to the LifeWire project. Council approvals also include an amendment to the ARCH ILA to change the name of the CAB to “Community Advisory Board” and make other adjustments to the number of allowed appointments.

In February, the ARCH Executive Board approved reservation of up to \$3 million for an Affordable Housing Project in Kenmore. The commitment provided an opportunity to quickly allocate unused funds from the 2021 funding round and recognize the significant local investment of land and funding from Kenmore. Further information on the project is described under Special Projects.

CAB members elected a new vice-chair, Olga Perelman. ARCH staff worked with current CAB chair Jake Stillwell to facilitate a series of educational workshops for CAB members.

Table 1. Awarded Projects in Development (Through 2021 Funding Round)

Project	Sponsor	Funding Year	Total Units/ Beds	Funds Awarded	Disbursed	Status
Eastgate Shelter	Congregations for the Homeless	2014, 2019, 2021	100	\$4,800,000	\$37,972	<i>Construction has commenced with the project expected to be completed on time.</i>
Esterra Block 6B	Imagine Housing	2017	261	\$5,734,000 includes \$4M in Redmond in-lieu fees	\$5,734,000	<i>Construction and pre-leasing activities were completed; a celebration of the project opening is scheduled for April.</i>
Trailhead, Issaquah TOD	King County Housing Authority	2017	155	\$2,000,000	\$0	<i>Continued progress is being made on site control agreements with Lumen (formerly Century Link). Financing anticipated to move forward in the next year. A related funding application for LEO was approved by ARCH during the 2021 HTF round.</i>
Adult Family Home 8	Community Homes, Inc.	2019	5	\$150,500	\$150,500	<i>Project completed. The award is fully disbursed, with the final draw paid in February 2022.</i>

Project	Sponsor	Funding Year	Total Units/ Beds	Funds Awarded	Disbursed	Status
Samma Senior Apartments	Imagine Housing	2019/2020	54	\$1,250,000 (\$750,000 CDBG plus \$500,000 local funds)	\$750,000 (CDBG funds)	<i>Environmental review process completed; CDBG funds contracted for site acquisition. The project was successful in obtaining additional public funding to fill a financing gap created by increased construction costs.</i>
Together Center Redevelopment	Inland Group/Horizon Housing Alliance	2019	280	\$6.75M (\$2,750,000 plus \$4M from Redmond In-lieu fees)	\$1,822,048	<i>Construction underway, ongoing disbursements. All tenants have been relocated. Project is expected to begin lease up in late 2022.</i>
Eastgate Supportive Housing	Plymouth Housing	2020	95	\$900,000	\$0	<i>Financing was closed and construction work is well underway. Project is expected to be completed on time.</i>
Horizon at Totem Lake	Inland Group/Horizon Housing Alliance	2020, 2021	299	\$5,500,000	\$2,573,100	<i>A supplemental funding application to address cost increases was approved. The project was successful in both 9% and 4% LIHTC applications. ARCH closed on Kirkland's portion of the loan to enable acquisition of the property.</i>
LEO at Trailhead	Life Enrichment Options (LEO)	2021	5	\$250,000	\$0	<i>Council approvals in process. Will re-apply for State funds in 2023.</i>
Hope Starts Here	LifeWire	2021	25	\$750,000 (\$250,000 local funds, ~\$500,000 CDBG) plus \$1,600,000 in HB 1590 funding	\$0	<i>ARCH council approvals in process. The project will commence construction in July 2022.</i>
New Ground Kirkland Redevelopment	Friends of Youth	2021	8 units/14 bedrooms	\$675,000	\$0	<i>ARCH council approvals in process. State HTF and King County capital awards secured. The project is expected to begin construction in September 2022.</i>
Illahee Apartments	King County Housing Authority	2021	36	\$4,000,000	\$4,000,000	<i>City financing was closed and disbursed for the acquisition. A \$2m state earmark was secured for the renovation, which is currently underway.</i>

B. Special Projects

Infrastructure Funding for Affordable Housing

- The Plymouth at Eastgate PSH project was awarded \$2.5M in infrastructure funding. ARCH will work with the City of Bellevue and City of Kirkland to re-submit unsuccessful applications in subsequent rounds to the State Department of Commerce. These funds can help pay for hookup fees and other significant infrastructure costs.

Surplus Property

- **Kenmore Affordable Housing Project.** ARCH worked closely with the City of Kenmore to release a Request for Proposals (RFP) for a vacant city-owned property in downtown Kenmore. The RFP made available up to \$3 million in ARCH funds, as well as additional ARPA funding from the City of Kenmore. The RFP prioritizes serving households earning up to 30% AMI, among other priorities.

Preservation

- **Illahee Apartments.** Renovations are underway following execution of funding agreements and disbursement of funds for the Illahee Apartments project, a partnership with the King County Housing Authority. The City of Bellevue approved a \$4 million recoverable grant for the acquisition and preservation of the 36-unit complex, which will be renovated and converted to public housing. ARCH also worked with City legislative staff to preserve a \$2 million State earmark for the project.

Transit-Oriented Development (TOD) Sites.

- **Bellevue.** BRIDGE Housing is coordinating with partners and potential funders on the development of 280 units of affordable housing adjacent to the 120th Street Light Rail Station and Operating and Maintenance Facility East (OMFE), following approval of the terms of a disposition agreement by the Sound Transit Board. ARCH received an early interest in application for funding for the project.
- **Redmond.** ARCH staff participated in preliminary discussions with Sound Transit, the City of Redmond and other Public Funders regarding the Overlake TOD site and consultant analysis of low-income housing feasibility.

Eastside Shelters.

- **Men's Shelter.** Congregations for the Homeless began construction on the Eastgate Shelter, which will serve adult men experiencing homelessness.
- **Youth Shelter.** Friends of Youth continued the search process for permanent relocation of its youth shelter to a location that would expand shelter capacity, based on the growth in need among homeless youth.

II. HOUSING POLICY AND PLANNING

A. Local Policy and Planning.

Bellevue

- Comp plan update.
- HB 1590 program and policy development

Bothell

- Parking reductions.
- Middle housing.

Kenmore

- Comp Plan update.

Kirkland

- 85th St Subarea: MFTE program analysis and commercial linkage fees.

Sammamish

- State HAPI grant proposal.

B. Inter-local Planning Activities.

- Continued preparing new datasets for comprehensive plan updates and housing needs analysis and made them accessible to members in cloud storage.
- Convened liaisons for status of Countywide Planning Policies, state's project to identify county-by-county affordable housing needs, and comprehensive plan schedules.

C. State Legislative Activities.

- Participation on Commerce Department's MFTE Advisory Committee.

D. Regional/Countywide Planning Activities.

King County GMPC Affordable Housing Committee:

- Countywide Planning Policies (CPP) update: Collaboration with Housing Inter-jurisdictional Team (HIJT).

Eastside Homeless Advisory Council (EHAC)

- Attended monthly EHAC meetings.

III. HOUSING PROGRAM IMPLEMENTATION

A. Administration of Housing Incentive and Inclusionary Programs

ARCH staff administered land use incentive and inclusionary housing programs, as well as Multifamily Tax Exemption programs for ARCH members. Table 2 on the following pages shows quarterly activity for projects actively in development through occupancy, and Table 3 shows cumulative production by jurisdiction.

B. Stewardship of Affordable Housing

Affordable Rental Housing Monitoring

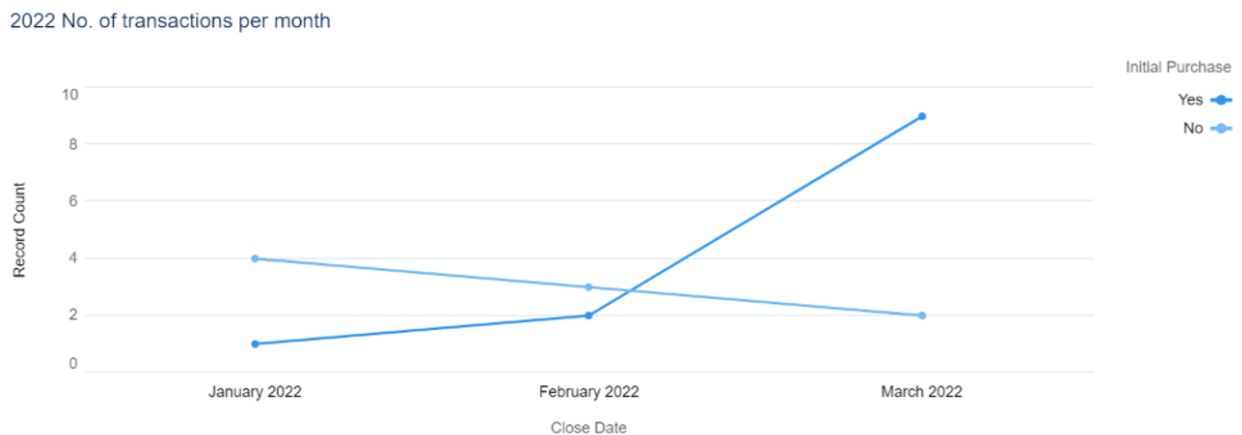
ARCH staff performed the following tasks this quarter:

- Conducted trainings for the Annual Compliance Report (ACR) and distributed updated reporting templates and updated ARCH forms
- Held trainings with new property managers
- Researched forecasts of HUD data to estimate potential increases to allowed rents under current project covenants
- Shared information with the Board on member jurisdictions’ adoption of local tenant protections that could mitigate the impact of significant rent increases

ARCH Homeownership Program

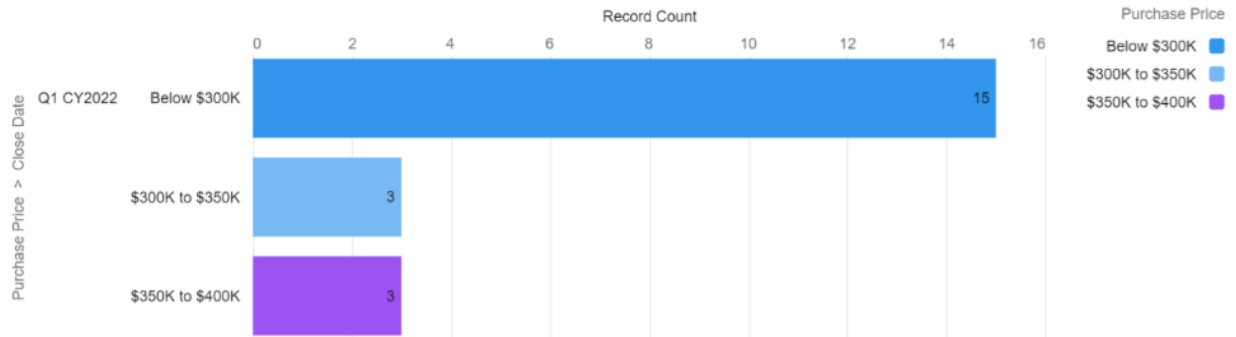
ARCH staff oversaw the sale of affordable ownership homes, as shown in the charts below.

a) Total Units Closed per month – New Constructions vs. Resales



b) Number of Transactions by Price Range

No. of sales per qtr with home values



c) Number of Transactions by Jurisdictions

YTD transactions by city



C. Program Improvements

Database Development

ARCH initiated research on software applications that could improve existing project databases and better support program functions such as loan servicing and communication with properties. Staff will continue scoping potential options and costs, while continuing ongoing efforts to reconcile existing project records.

Table 2. Quarterly Affordable Housing Activity in Land Use and MFTE Programs

	Pipeline projects (not yet recorded)	Projects in development			Completed projects	Grand Total
	(blank)	Permitting or construction	Initial lease or sale	Occupied & monitoring	Occupied & monitoring	
Bellevue	88	32				120
Rental	88	32				120
Bellevue 10		21				21
BIG 1 Residential		11				11
Broadstone Gateway	38					38
Vulcan Bel-Red	50					50
Duvall		15	2	2		19
Homeownership		15	2	2		19
The Ridge at Big Rock		15	2	2		19
Issaquah		20	18	11		49
Homeownership		20	18	11		49
Westridge		20	18	11		49
Kenmore	19					19
Homeownership	3					3
Kenmore Station	3					3
Rental	16					16
PC Kenmore 7520	16					16
Kirkland	54	5	17	11	41	128
Homeownership	3	3	2	11		19
1313 Market		1				1
503 2nd Ave S	1					1
Jade condos			2	11		13
Steeple Rock	2					2
Woodlands Reserve THs		2				2
Rental	51	2	15		41	109
9040 NE Juanita Dr		2				2
InStyle Homes	2					2
Koh Apartments	1					1
Lakehouse Apartments	34					34
Morningstar			15			15
The Pine	14					14
Uplund					41	41
Redmond	203	70				273
Homeownership	12	4				16
Croquet Club Cottages		2				2
Encore at Rose Hill	1					1
Moment Townhomes	2					2
Redmond 13		1				1
Rose Hill Cottages (Toll Bros)		1				1
Woodside	9					9
Rental	191	66				257
Avalon Redmond Campus		11				11
NLG One	25					25
One Marymoor Park		45				45
Porch and Park		10				10
Redmond City Center	2					2
Redmond Grand, Phase I	63					63
Redmond Sunrise	10					10
Spectra	28					28
Verde Esterra Park	63					63
Grand Total	364	142	37	24	41	608

In addition to the projects listed in Table 2, MFTE contracts are in place for Capella and Together Center properties (also ARCH Trust Fund projects) in Redmond.

Table 3. Cumulative Affordable Units Created in Land Use and MFTE Programs

		51 - 80	81 - 100	101 - 120	Grand
	<=50 AMI	AMI	AMI	AMI	Total
Bellevue		410	8	22	440
Homeownership		71	8		79
Rental		339		22	361
Issaquah	16	164	152	49	381
Homeownership		112	152	16	280
Rental	16	52		33	101
Kenmore	5		51		56
Rental	5		51		56
King County		361	171	190	722
Homeownership			106	134	240
Rental		361	65	56	482
Kirkland	108	116	14		238
Homeownership		35	14		49
Rental	108	81			189
Mercer Island		13			13
Rental		13			13
Newcastle	12	40			52
Homeownership		6			6
Rental	12	34			46
Redmond	117	593	32		742
Homeownership	18	58	17		93
Rental	99	535	15		649
Sammamish		55			55
Homeownership		7			7
Rental		48			48
Woodinville		20			20
Homeownership		20			20
Grand Total	258	1,772	428	261	2,719

IV. EDUCATION AND OUTREACH

A. Housing 101/Education Efforts

N/A

B. Information for the Public.

- **ARCH Website.** Continued updating the renter resources page, homes for sale page, and community resources for ease of use and accessibility . Completed the launch of the new ARCH website. The website was designed to highlight the most sought-after information on affordable housing availability and application processes.
- **Assist Community Members Seeking Affordable Housing.** Ongoing work to provide information through ARCH website, phone, and email communication to support households seeking housing assistance. Notified interested buyers about affordable homes for sale. Notified the mailing list about upcoming rental opportunities. Updated the Homeownership page of the ARCH website with active listings.

Staff have continued to see an elevated level of calls and emails from the members of the public seeking affordable housing, as well as other resources such as rental and utility assistance. The number of new applications for the ARCH mailing list reached a new high in this quarter.

Table 7. Affordable Housing Interest

	Q1	Q2	Q3	Q4	YTD
New applications for ARCH mailing list	1,392				1,392
Ownership Interest	1,133				1,133
Both	512				512

C. Equitable Access to Affordable Housing in East King County

ARCH staff performed the following outreach and engagement activities this quarter:

- ARCH staff continued work with Eastside Legal Assistance Program, Northwest Justice Project, Together Center, the Eastside Homelessness Advisory Committee, and Safe Haven Cafecitos and network available resources.
- Senior center presentations continued virtually.
- Continued work with organizations in the community such as, Hopelink, Catholic Community Services, Muslim Community Resource Center, and many others to maintain an updated Resource Page on the ARCH website.
- Staff met with Safe Haven: Cafecito, a group of providers and partners in East King County to inform them of ARCH roles in the community and work on future collaborations.
- Engage with other agencies to market ARCH programs and assist families that need help navigating housing programs.
- Collaborations with Together Center, BNOA, Kirkland Senior Council, Eastside Human Services Forum, Bellevue School District Community Services Program Coordinator, and Crossroads Mini City Hall Cultural Navigators.

V. ARCH OPERATIONS

A. ARCH Operating Fund

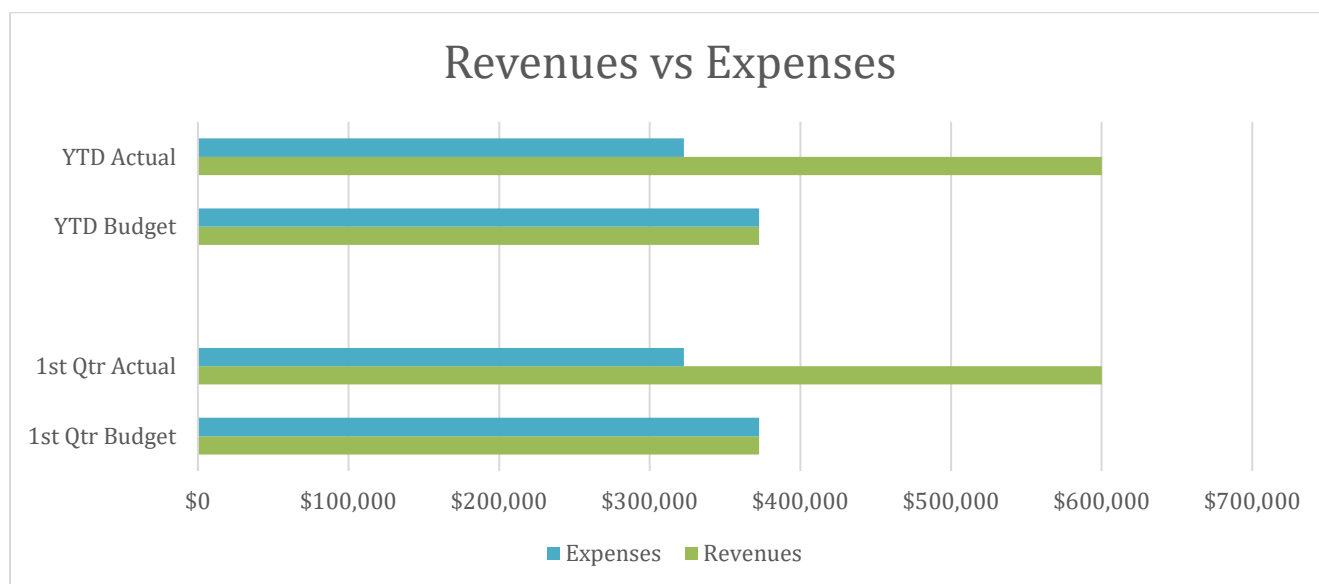
ARCH began the year with a cash balance of \$739,094 and finished the quarter with a balance of \$1,016,483. The first and second quarters billings were sent out to members in February, and revenues reported below included all pending payments for the first half of the year.

Additional details on revenues and expenses are shown in Tables 2 and 3 below. Details on approved reserve expenditures are shown in Table 4.

Quarter 1

Table 1: Summary of Revenues and Expenses

	1st Qtr Budget	1st Qtr Actual	Difference		YTD Budget	YTD Actual	Difference	% Actual to Budget YTD
Beginning Cash Balance	\$739,094	\$739,094	\$0		\$739,094	\$739,094	\$0	
Revenues	\$372,616	\$600,162	\$227,547		\$372,616	\$600,162	\$227,547	161%
Expenses	\$372,616	\$322,773	(\$49,843)		\$372,616	\$322,773	(\$49,843)	87%
ENDING BALANCE	\$739,094	\$1,016,483	\$277,389		\$739,094	\$1,016,483	\$277,389	



C. Operating Revenues

Table 2: Revenue Detail

Revenue Source	1st Qtr Budget	Actual	Difference		YTD Total Budget	Actual	Difference	% Actual to Budget YTD
Beaux Arts Village	\$ 515	\$ 2,060	\$ (1,545)		\$ 515	\$ 2,060	\$ (1,545)	400%
Bellevue (cash)	\$ 5,338	\$ -	\$ 35,338		\$ 35,338	\$ -	\$ 35,338	0%
Bellevue (in kind)	\$ 50,776	\$ 52,124	\$ (1,348)		\$ 50,776	\$ 52,124	\$ (1,348)	103%
Bothell	\$ 23,282	\$ 46,564	\$ (23,282)		\$ 23,282	\$ 46,564	\$ (23,282)	200%
Clyde Hill	\$ 1,694	\$ 6,777	\$ (5,083)		\$ 1,694	\$ 6,777	\$ (5,083)	400%
Hunts Point	\$ 515	\$ 2,060	\$ (1,545)		\$ 515	\$ 2,060	\$ (1,545)	400%
Issaquah	\$ 22,640	\$ 45,281	\$ (22,640)		\$ 22,640	\$ 45,281	\$ (22,640)	200%
Kenmore	\$ 12,314	\$ 24,629	\$ (12,314)		\$ 12,314	\$ 24,629	\$ (12,314)	200%
Kirkland	\$ 53,336	106,672	\$ (53,336)		\$ 53,336	\$106,672	\$ (53,336)	200%
Medina	\$ 1,663	\$ 6,650	\$ (4,988)		\$ 1,663	\$ 6,650	\$ (4,988)	400%
Mercer Island	\$ 13,816	\$ 27,632	\$ (13,816)		\$ 13,816	\$ 27,632	\$ (13,816)	200%
Newcastle	\$ 6,730	\$ 13,459	\$ (6,730)		\$ 6,730	\$ 13,459	\$ (6,730)	200%
Redmond	\$ 39,095	\$ 78,191	\$ (39,095)		\$ 39,095	\$ 78,191	\$ (39,095)	200%
Sammamish	\$ 33,663	\$ 67,326	\$ (33,663)		\$ 33,663	\$ 67,326	\$ (33,663)	200%
Woodinville	\$ 6,302	\$ 12,604	\$ (6,302)		\$ 6,302	\$ 12,604	\$ (6,302)	200%
Yarrow Point	\$ 612	\$ 2,447	\$ (1,835)		\$ 612	\$ 2,447	\$ (1,835)	400%
King County	\$ 31,250	\$ 62,500	\$ (31,250)		\$ 31,250	\$ 62,500	\$ (31,250)	200%
Interest*	\$ 525	\$ 865	\$ (340)		\$ 525	\$ 865	\$ (340)	165%
Admin Fees**	\$ 38,550	\$ 42,325	\$ (3,775)		\$ 38,550	\$ 42,325	\$ (3,775)	110%
TOTAL	\$372,616	\$600,162	\$(227,547)		\$ 372,615	\$600,162	\$(227,547)	161%

*Interest Income includes interest earnings on ARCH's operating funds.

**Admin Fees include fees from new applicants and admin fees from resales.

Reserve Fund Expenditures and Special Project Grants

Since 1992, the ARCH operating fund balance has accumulated through budget savings and private contributions to ARCH. In November 2013, the Executive Board updated its policy on the use of these funds. Key provisions include: maintain an administrative reserve equal to 33% of ARCH's annual administrative budget; any balance in the ARCH administration account in excess of that set aside for the Administrative Reserve shall be available for funding unique opportunities and needs; and the policy is to be evaluated every two years.

The following tables summarize the status of cash reserves, active commitments, and remaining commitments.

Quarter 1

Table 4a: Available (Uncommitted) Reserve Funds	
Cash Balance (End of 1st Quarter 2021):	\$1,016,483
(less) Administrative Reserve (33% Admin budget)	(\$496,821)
(less) remaining projected expenses through YE 2022	\$ (1,167,689.06)
(plus) remaining projected revenues through YE 2022	\$890,300
Sub-Total	\$242,273
(less) committed, unexpended reserve funds	\$0
Balance (Uncommitted Reserve Funds):	\$242,273

Table 4b: Committed Reserve Funds

Project/Program	Approved commitment	Expense Incurred through Current Quarter	Prior Period Payment	Current Quarter Payment	Repayment	Remaining commitment
ACTIVE RESERVE ACTIVITY						
NA						\$0