**ITEM 3: Approval of the July Meeting Minutes**

Approval of the September Executive Board Meeting minutes

Attachments

1. Summary Minutes to Executive Board Meeting (September 14, 2023)

**A REGIONAL COALITION FOR HOUSING (ARCH)**

Summary Minutes to Executive Board Meeting

Date September 14, 2023 Hybrid Meeting

9:00am

**Board Members Present:**

Carol Helland, City of Redmond, Director of Planning and Community Development

Steve Burns, City of Medina, City Manager

Diane Carlson, City of Bellevue, Deputy City Manager

David Pyle, City of Sammamish, Director of Community Development

Kurt Triplett, City of Kirkland, City Manager

Maia Knox, City of Clyde Hill, Assistant City Manager

Alison Van Gorp, City of Mercer Island, Deputy Director, Community Planning & Development

Wally Bobkiewicz, City of Issaquah, City Administrator

Simon Foster, King County, Housing, Homelessness and Community Development Division Director

Scott Pingel, City of Newcastle, City Manager

Jared Hill, City of Woodinville, Intergovernmental Affairs Coordinator

Debbie Bent, City of Kenmore, Community Development Director

Jason Greenspan, City of Bothell, Community Development Director

**Board Members Absent:**

**Others Present:**

Mark Hofman, City of Newcastle, Community Development Director

Lindsay Masters, ARCH, Executive Director

Raquel Rodriguez, ARCH, Program Coordinator

Diana Heilman, ARCH, Senior Administrative Assistant

Adam Matza, ARCH, Rental Program Officer

Yelias Bender, ARCH, Senior Program Officer

Nicole Palczewski, ARCH, Housing Program Intern

Linda Abe, City of Bellevue, Affordable Planning Housing Manager

Rebecca Deming, City of North Bend, Community & Economic Development Director

Xochitl Maykovich, King County, Housing Policy & Special Projects Manager

Ian Lefcourte, City of Redmond, Senior Planner

Jason Gauthier, Pierce County, SSHA3P

Mary Connolly

Caroline

Andrea Harrington

**1. CALL TO ORDER**

Ms. Helland called the meeting to order at 9:01 am.

**2. APPROVAL OF THE AGENDA**

Ms. Helland asked for changes to the agenda of September 14, 2023. No changes were made.

**3.** **APPROVAL OF THE MINUTES**

Ms. Helland asked for changes to the meeting minutes for July 13, 2023. No changes were made.

**4. PUBLIC COMMENT**

No public comment.

**5. REPORTS / ACTION ITEMS**

**5a) Legislative Priorities**

Ms. Helland introduced the topic and asked that the Board be sure to discuss how the legislative priorities will be distributed if any are going forward.

Ms. Masters presented the topic, reminding the Board this is one of the priorities that the Board elevated in ARCH’s Work Program for the next year. A survey and legislative workshop was conducted this summer for member staff identified by each Board member. Overall themes were that affordable housing is still a top priority for most cities. There is a desire to act as a united coalition with ARCH helping to provide education and coordinate advocacy. Local leadership wants to see affordable housing in East King County and within their own jurisdictions.

The discussion on revenue focused on how to balance competing revenue goals and potential policy adjustments to HB 1628. Potential policy adjustments were discussed such as progressive tiers, flexibility for existing REET, modified structure for local jurisdictions to receive a credit against State REET and exempting commercial development. Ms. Masters said there was a lot of alignment on these policies but the need for advocating for the big picture was reinforced.

The TOD bill was discussed. There were many problems with the bill one of which was the potential lost opportunity to get affordable housing out of the upzones. There was strong consensus to ensure affordable housing outcomes in the bill. The goals need to align with housing needs in the GMA, but flexibility is critical. Cities will need to have time to figure out how to implement this.

Based on the discussion two priorities were crafted. The first is similar to the priority supported last year, as conveyed by a letter from the Chair encouraging cities to help advocate. The second is a new priority that was difficult to craft due to a lot of potential concerns. This priority highlights what would be important in a TOD bill.

Ms. Masters opened it up for the Board to give feedback on the language on how it should be shared with each individual city. Ms. Helland asked for feedback on the question on whether the language of the draft priorities is appropriate or does it need adjustments.

Mr. Pingel said he would like the approach to be flexible. He said if there is not support for an additional .25 percent for REET maybe there could be more flexibility in how they can use it for affordable housing. For Newcastle they would like an option that would enable them to move affordable housing out of the general fund.

Ms. Helland agreed there was a clear message at the workshop that small cities would like flexibility to use existing REET. They may be REET rich and general fund poor. She said she and Lindsay had worked on taking that into account in how the language was drafted. Mr. Pingel said he did not have suggestions to changes in the language, but he wants to be able to explain to his council that this is where ARCH is headed.

Mr. Triplett said he supports this approach. He believed the language is broad enough and flexible enough. He had a question about the process. He thought a letter from the Chair or Executive Director giving their recommendation would be helpful. Ms. Helland said to wait to discuss process.

Ms. Knox wanted to echo the desire for flexibility. She suggested that they include the word “new” to the first priority. Carol asked if they could say “new and flexible funding options”. Ms. Knox agreed.

Ms. Carlson said she does not have any language concerns about the first priority. The second one is very detailed and has many pros and cons, so Bellevue is planning on having something like this in their agenda. She suggested “affordable housing should be a priority” instead of “top priority”. She also suggested removing the word “ambitious”.

Ms. Van Gorp also agreed that the term “ambitious” was hanging them up. This change aligned with what they were thinking.

Mr. Greenspan touched on the definitions of transit and asked about the use of the term “fixed route transit”. He asked how these priorities will be communicated to his city council and specified he wants the core elements communicated to his council.

Ms. Helland said process questions would be addressed next and asked if anyone had any remaining concerns on the language. None were given.

Ms. Helland said that the words “near fixed route transit” were added to refer to light rail and bus rapid transit. She asked if there were concerns that they should clarify “frequency” with that understanding of the definition of “fixed route transit”. Mr. Greenspan said he was not overly concerned, but he had concerns about how that would be communicated to cities. He did not believe it was necessary to adjust the language as long as they were providing clarity.

Mr. Pyle said he supported those edits. He said in Sammamish they are very interested in development in strategic locations in the city in order to invite development of fixed route transit. They hope to gain the frequency and maintain the frequency of transit. They are focused on just getting fixed route transit, then they could add affordability along strategic corridors.

Mr. Triplett appreciated the concern about the words “top priority” and “ambitious”, but noted the risk that with these changes then affordability is just a goal among many goals, and the language does not convey it is as something that must happen. Something needs to be in there that affordable housing must be included in transit-oriented development, otherwise it may make it too generic for legislators.

Ms. Van Gorp said there is some nuance there. She said Mercer Island is struggling with the ambitious goals on density and how much housing needs to be built exactly where. It is not flexible, but she agreed that affordability part should be the top priority. They were getting hung up that the ambitious goals should be set for TOD in regard to density.

Ms. Masters put the edits on the screen for everyone to see. Ms. Carlson suggested that “affordable housing should be “included” or “required” instead of “a top priority”. Ms. Helland agreed and asked if everyone was ok with that. Mr. Triplett agreed.

Mr. Hill said one of the issues that has been brought up is with the fixed route transit. That can change so frequently. He said in Woodinville they get double counted for transit due to the turn around. He wondered if they could say “light rail and BRT’ to be sure it is not confused. Ms. Helland said that might be appropriate, but she said “fixed rail transit” is defined as light rail and BRT. Ms. Masters said that could be captured in the letter. Mr. Hill said that would be great.

Ms. Helland asked if anyone had more discussion about the changes. She asked if they had reached consensus on the legislative objectives for ARCH. She asked if anyone said “no”. Mr. Hill asked if they were going to be taking a position on both of these at the same time. He said the Woodinville council has not had a position on one of these priorities so they would prefer to stay neutral. Ms. Helland said this would be part of the process discussion.

Ms. Helland asked for a vote on the edits as displayed on the screen.

“**Funding for Affordable Housing**: [CITY] supports new and flexible funding options for local jurisdictions that address the need for affordable housing, such as local option Real Estate Excise Tax (REET). Such options should be progressively structured to best meet the needs of low and moderate income households.”

“**Affordable Housing Near Fixed Route Transit**: Affordable housing should be required in future planning for growth near fixed route transit. [CITY] supports setting affordability goals for transit-oriented development, and providing local flexibility and planning resources to help communities achieve those goals.”

Ms. Helland asked if there were any other discussion points. None were given.

*Ms. Helland asked to entertain a motion to adopt the language of the draft priorities as shown on the screen.*

*Mr. Triplett moved for adoption of the priorities as displayed on the screen. Ms. Van Gorp seconded the motion. Approved unanimously.*

Ms. Helland directed the conversation to the process. Ms. Masters said this letter could go at the same time as the letter going to councils regarding the recommended budget and work program for next year, which is transmitted this month.

Ms. Helland asked what the recent letter transmitted was. Ms. Masters said it was about the strategic planning process. Ms. Helland clarified it was informational. Ms. Helland wanted to know how many Board members completed that. When asked if there were any who didn’t, none responded.

Ms. Carlson said that worked well. She would like ARCH to continue the process of distributing to the Board so that Board members can distribute to their councils. Ms. Helland asked if Ms. Carlson’s proposal included ARCH drafting a letter to be provided to Board members to distribute to their councils. Ms. Carlson said she didn’t know if that was necessary for this.

Mr. Bobkiewicz said they were overthinking this. He said they should trust each Board member to handle their own process for their jurisdiction.

Ms. Helland said they would only forward the legislative language that they have agreed on, and Board members would present that language in the context of their legislative agenda updates with their councils.

Ms. Masters said last year they did a short letter to explain the process in developing the priorities and presenting the suggested priorities. It would not be a formal resolution. The Board member could decide how to present it.

Ms. Helland asked how everyone felt about that. No disagreement was expressed. She clarified that the letter would come from the Board Chair.

Ms. Helland asked if the Board had interest in letting ARCH prepare the letter. She asked if there were other education materials that could be used to facilitate advocacy. Mr. Pyle said they would appreciate that. He said the degree that they had information to inform lobbyists would be helpful. He was curious as to who the audience would be.

**5b) Middle Housing and HB 1110 Opportunities Report (continued from July)**

Ms. Masters presented the Middle Housing bill implementation including the basic requirements of the bill. She presented the specific density thresholds and said there were concerns about whether these would really achieve affordable housing as they were crafted in the bill. There were amendments to add flexibility on affordable housing provisions, but there are questions on how these will be interpreted by the Department of Commerce. A dialogue will be maintained with that staff.

How to take advantage of the flexibility in the bill to maximize affordability will be a key question. Ms. Masters highlighted options for implementation. She said ARCH would be looking to advise cities including how to calibrate that and make it work. Cities will have option to go beyond requirements of the bill. She shared examples from Redmond and Kirkland’s Inclusionary Programs.

Ms. Masters said she would like the Board to kickoff a discussion on how the coalition can work together to implement the affordable housing aspects of the bill. She would also like to tie this to applying for a HUD grant funding to support some of that work. Some cities are pursuing Commerce grants, too.

Ms. Helland asked whether the support from ARCH would help jurisdictions both identify opportunities to meet 1110 or revise a current program that was established under 1110 or exceed that program for all three objectives. Ms. Masters said it could be all three of those.

Ms. Helland asked about the timing. She asked if only the larger ARCH cities were updating the comprehensive plans subject to the six-month requirement under 1110 or were all the cities. Ms. Masters said she understood that all ARCH cities were required to bring their density up to 2 units per lot.

Ms. Van Gorp said for medium-sized cities there is a lot of work to do. She said her city only has affordable housing requirements in their town center right now. This is opportunity to change zoning for the whole city.

Mr. Pyle agreed. He added the application in Sammamish is limited due to HOA covenants. Unless the HOA chooses to amend their covenant to allow for other types of development, those covenants trump 1110. Because 80% of Sammamish is covered by HOA covenants, they would like to partner with grant funding to explore how to approach HOAs. Ms. Helland asked whether 1110 exempts Sammamish from doing the planning work. Mr. Pyle agreed, but noted you may not go far in your planning if it will never be applied.

Mr. Greenspan said they are poised to amend their comp plan to implement the basics of 1110, but they need guidance from ARCH on how much further they can push things beyond the basics and understanding Commerce’s expectations. He asked how engaged ARCH has been with Commerce. Ms. Masters said that ARCH staff was invited to be on the technical committee to prepare the model ordinance and are pushing for guidance.

Mr. Pyle noted how 1110 may put them out of sync with regional planning. Sammamish was told by PSRC that they cannot increase comp plan future land use capacity in order to incentivize the affordability that they need to do because it throws off the regional planning balance. Ms. Helland said that would be a conversation for another day.

Ms. Helland said she will combine conversation for items 5c and 5b. She asked for confirmation that there is uncontested support for ARCH providing resources and opportunities for compliance with HB 1110. Board members concurred.

**5c) HUD grant opportunity – Xochitl Maykovich**

Ms. Helland turned it over to Ms. Masters to introduce the topic of joining with King County and other jurisdictions to apply for the HUD grant under the Pathways to Removing Obstacles to Housing. She asked if that would make our application stronger.

Ms. Masters introduced Simon Foster and Xochitl Maykovich from King County to discuss this possible joint application. Ms. Masters presented slides to explain the purpose of the grant in reducing barriers to affordable housing, giving examples of potential work the grant could fund and what would make the application competitive.

Ms. Maykovich said King County first considered how the grant could help them implement their comprehensive plan goals within urban unincorporated King County. They realized they would be more competitive if partnering with other entities, so reached out to SKHHPP and ARCH. The idea is this could provide staff support helping jurisdictions as well as consulting and community engagement resources. She said they do not have a specific overarching strategy because the needs of each jurisdiction are different. Some cities have identified need for assistance with overhauling their housing code or assistance with coming up with strategies for incentivizing developers to build housing that meets the needs of immigrant households. Perhaps one consulting contract could be done for several jurisdictions. There could be a need for legal help. She expressed that they want to make the resources flexible and the application flexible.

Ms. Masters said she personally was excited to have this opportunity due to the fact that it looked like it would be difficult in the next few years to find other resources to add planning capacity. She opened it up to the Board to discuss.

Mr. Triplett said it seemed logical to pursue it, and asked if it would be a re-grant from King County. Ms. Maykovich said they would try to keep it high level in the application but it could be a sub-grant to ARCH. Dealing with the HUD audit requirements would be an issue to consider. The County could hold the consultant contracts.

Ms. Helland asked if the Board was supportive of ARCH pursuing the collaborative application. She said the details would have to be ironed out. Ms. Masters added she had reached out to Bellevue and there are no immediate red flags with receiving federal funds through Bellevue and housing staff there.

Ms. Helland asked the Board if they are supportive directing ARCH to pursue the collaborative application. She asked if anyone was uncomfortable. Mr. Greenspan asked if their councils would need to do anything between now and the end of October. Ms. Maykovich said the application would be stronger with letters from jurisdictions, but it is not mandated. Board members concurred with pursuing the grant.

Ms. Masters said they will be reaching out to city staff next to flesh out ideas for how to use grant funds.

**5d) Q1 2023 Report**

Ms. Masters says the report had been submitted with revised formatting per prior direction from the Board. Discussion on the format can continue at a future meeting as time allows.

**6) OTHER BUSINESS**

* **Verbal Updates**
* **North Bend MOU Interest**

Ms. Masters introduced Rebecca Deming, Director of Community and Economic Development in the City of North Bend. They are a smaller city not subject to HB 1110. They have started an MFTE program which is just one site so far. It has 128 units of which 28 are affordable. She asked for ARCH assistance in managing the MFTE units and the annual reporting. They would pay for the hourly time, with the city being reimbursed by the developer.

Ms. Helland said ARCH is hoping that in the process of doing its Strategic Plan Update they will get a reaffirmation of the role of ARCH and explore expanded roles with other jurisdictions. She said she had some trepidation in moving forward with the addition of more work for ARCH when they are in the process of this evaluation of priorities. She opened up the issue to the Board for discussion.

Ms. Van Gorp said she wondered how much work this would be in terms of MFTE. She asked how would affect the current ARCH staff. Ms. Masters said it would affect a couple staff – one who does annual reporting for the Department of Commerce for jurisdictions who have MFTE and a staff person who does the Rental Program compliance monitoring. That program has about 70 properties. She noted that they are not at the tipping point yet with capacity, but this would tie up capacity for future new projects.

Ms. Carlson applauded North Bend for having their first MFTE project. She agreed that capacity is a concern. She also added that legally they would be taking on risks by taking on projects that are not part of the organization. That would have to be explored in further conversation.

Mr. Pyle appreciated getting regional consistency on these projects. He noted that Sammamish is looking at a budget reduction for their general fund. They are seeing costs increases in contracts. They have noted increases in ARCH dues. He asked if this would take up some of the capacity they are paying for in the increase of dues.

Ms. Masters said the 2024 budget recommendations have already been advanced, but if this project moved forward with unanticipated revenue it could be incorporated into the 2025 budget deliberations. They would have to figure out how much the contract is going to generate. It might offset other dues.

Ms. Helland asked if it might be possible to put any funds in reserves that had to be shifted for legal funding earlier in the year. Ms. Masters said that was possible. The Board would be able to decide how to accommodate that revenue.

Ms. Knox echoed appreciation for North Bend’s request. She suggested that ARCH perhaps provide materials and resources or even a limited amount of time if there is not capacity for full support.

Mr. Greenspan asked Rebecca if there were other alternatives that they had considered. She said that they had not had time yet to consider other alternatives because it was just adopted six months ago. The first certificate of occupancy is expected next week. She has learned about another agency that they might reach out to. The project should be finished in February.

Mr. Pingel said he agreed with David. He said if there is an opportunity to bring in additional revenue, they should take advantage of that.

*Mr. Triplett left the meeting at 10:30 am.*

Ms. Helland asked for a motion to respond to North Bend’s request to enter into a contract with ARCH for administration of affordable housing units.

*Mr. Pyle moved to respond to North Bend’s request for ARCH support in managing affordable housing covenants related to an MFTE project in North Bend. Ms. Van Gorp seconded the motion.*

Ms. Helland put the motion to a vote.

*The motion was approved. The vote was 8 in favor; 2 opposed; 1 abstention.*

Ms. Helland said these types of requests need to be a component of the strategic plan. She directed Ms. Masters to figure out how to make this contract work for the ARCH staff. She asked if there were any other questions.

Ms. Carlson asked if they would have a conversation about the liability component. She expected it would be in the contract. Bellevue will work with Ms. Masters on that.

Ms. Helland encouraged North Bend to have a Plan B. She did wish North Bend well in their MFTE project. She thanked Rebecca for attending.

Ms. Masters will bring back to the Board next month what is determined regarding the contract. Other verbal updates would be presented at a future meeting.

**7) ADJOURNMENT**

Meeting was adjourned at 10:36 am.