

A REGIONAL COALITION FOR HOUSING

QUARTERLY REPORT

FOR THE

ARCH EXECUTIVE BOARD

Fourth Quarter 2022

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I. AFFORDABLE HOUSING INVESTMENT

A. ARCH Housing Trust Fund

Following receipt of 8 applications requesting over \$13 million in funding, the Community Advisory Board finalized and presented their recommendations to the ARCH Executive Board, which unanimously adopted the recommendations. All applicants were recommended for funding, but given funding limitations not all applications were fully funded; one applicant withdrew their request shortly after recommendations were finalized. The remaining seven recommended projects are shown in the table below.

ARCH facilitated similar recommendations from the interdepartmental staff committee for funding from the Bellevue Housing Stability Program, including one for a capital funding award and two for operations and maintenance/services (OMS) funding. These recommendations will be considered alongside the Trust Fund recommendations by the Bellevue City Council in 2023.

Table 1. Awarded Projects in Development (Through 2022 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	\$4,800,000	<i>Construction has commenced with the project expected to be completed on time. The award is fully disbursed. The final draw was paid in May 2022.</i>
Trailhead, Issaquah TOD	King County Housing Authority	2017	155	\$2,000,000	\$0	<i>KCHA was able to successfully enter agreements for site control with Lumen (formerly Century Link). Financing anticipated to move forward in the next year.</i>
Samma Senior Apartments	Imagine Housing	2019/2020	54	\$1,250,000 Plus \$2M Amazon pass through	\$750,000 (CDBG funds) \$887,997 (Local funds)	<i>CDBG funds disbursed for site acquisition. Approval of a \$2M Amazon grant completed. Permanent financing closed in November and construction is underway.</i>
Together Center Redevelopment	Inland Group/Horizon Housing Alliance	2019	280	\$6.75M (\$2,750,000 plus \$4M from Redmond In-lieu fees) Plus \$6.8M MSFT Bridge funds	\$6,100,000 Plus \$2.1M in MSFT Bridge funds	<i>Construction well underway, ongoing disbursements. All tenants have been relocated. First building scheduled to open in spring 2023.</i>

Project	Sponsor	Funding Year	Total Units/ Beds	Funds Awarded	Disbursed	Status
Eastgate Supportive Housing	Plymouth Housing	2020	95	\$900,000	\$900,000	<i>Financing was closed and construction work is well underway. Project is expected to be completed on time, with lease-up activities commencing the first half of 2023.</i>
Horizon at Totem Lake	Inland Group/Horizon Housing Alliance	2020, 2021	299	\$5,500,000	\$2,573,100	<i>Acquisition funds from Kirkland disbursed. Project securing final permanent financing commitments ahead of anticipated closing in March 2023.</i>
LEO at Trailhead	Life Enrichment Options (LEO)	2021	5	\$250,000	\$0	<i>Council funding approvals completed. Will re-apply for State funds in 2023.</i>
Hope Starts Here	LifeWire	2021	25	\$750,000 (\$627,000 CDBG and \$122,000 local funds) plus \$1,600,000 in Bellevue HSP funds	\$122,131 plus \$1,600,000 (Bellevue HSP funds)	<i>Project financing closed in October 2022. Construction activities underway.</i>
New Ground Kirkland Redevelopment	Friends of Youth	2021	8 units/ 14 bed-rooms	\$675,000	\$0	<i>Council funding approvals completed. Project working through permitting process, securing approvals for County funding.</i>
Ardea	TWG/Imagine Housing	2022	170	\$1,400,000	\$0	<i>Awaiting Council approvals</i>
Bellevue Homes	Habitat for Humanity	2022	25	\$600,000	\$0	<i>Awaiting Council approvals</i>
Kenmore Supportive Housing	Plymouth Housing	2022	100	\$3,279,700	\$0	<i>Awaiting Council approvals</i>
Kirkland Heights	King County Housing Authority	2022	276	\$1,566,200	\$0	<i>Awaiting Council approvals</i>
Scattered Homes (Supported Living Home / OHS Home)	Inclusion Homes (Alpha Supported Living Services)	2022	26	\$650,000	\$0	<i>Awaiting Council approvals</i>
Spring District 120 th St. TOD	BRIDGE Housing	2022	7	\$400,000	\$0	<i>Awaiting Council approvals</i>
Totem Six-Plex	Attain Housing	2022	235	\$350,000	\$0	<i>Awaiting Council approvals</i>

B. Special Initiatives

Infrastructure Funding for Affordable Housing

- During the second round of applications, \$1,228,000 was awarded to the Polaris at Eastgate project. ARCH will work with the City of Kirkland to re-submit unsuccessful applications in the next round to the State Department of Commerce.

Surplus Property

- **Kenmore Affordable Housing Project.** The City of Kenmore received three responses to its RFP for development of a city-owned property in downtown Kenmore. ARCH participated in the RFP evaluation and interview process, which resulted in the selection of a team led by Plymouth Housing, Walsh Construction and Environmental Works as the architect. The project will provide supportive housing for single adults earning no more than 30% of median income, including seniors, veterans and persons with disabilities. The sale of the property was approved by the Kenmore City Council, which also expects to review and approve a Development Agreement for the project.

Transit-Oriented Development (TOD) Sites.

- **Bothell.** The City of Bothell received and began reviews of a proposal for development of affordable housing on its “P-South” property by a team made up of Bothell United Methodist Church, BRIDGE Housing and Habitat for Humanity.
- **Bellevue.** BRIDGE Housing continues to coordinate 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 project by the Sound Transit Board. BRIDGE submitted funding applications to King County (\$10M) and ARCH (\$4M) and Bellevue (\$8M) in September. King County recommended funding the full \$10M, and ARCH recommended an initial \$350,000 award. Preliminary recommendations for Bellevue HSP funds are for \$6M, subject to council approval. ARCH will continue active coordination with the project partners to ensure the successful development of affordable housing.
- **Redmond.** ARCH participated in discussions on an upcoming Request for Proposals (RFP) for the Overlake TOD site. The RFP was released in November of 2022, and incorporated ambitious affordable housing goals that were informed by a feasibility analysis conducted by ARCH staff.

Eastside Shelters.

- **Men’s Shelter.** Congregations for the Homeless continues to make significant progress on the construction of the long-awaited Men’s Shelter at Eastgate, while continuing to operate at a temporary location.
- **Youth Shelter.** ARCH recommended funding the Friends of Youth request for \$650,000 for the renovation of a commercial building in the city of Kirkland to serve as a replacement site for its youth/young adult shelter, which was formerly located in the Together Center. The agency is discussing a lease extension at its temporary location in Redmond, as construction is expected to extend beyond Q1 2023.

II. HOUSING POLICY AND PLANNING

A. Local Policy and Planning.

Bellevue

- Comp plan update.
- Prepared information for a study session on commercial linkage fees and inclusionary zoning programs.

Bothell

- Downtown Affordable Housing Overlay analysis and code amendments.

Issaquah

- Housing presentation to Issaquah Planning Policy Commission

Kenmore

- TOD and downtown inclusionary zoning analysis and code amendments.

Redmond

- MFTE and inclusionary zoning program evaluation.
- Parking allowance.

Sammamish

- Housing Action Plan needs analysis review.

B. Inter-local Planning Activities.

Long Term Funding/Dedicated Revenue Strategy

- Worked with members to incorporate recommended language for members to consider in support of local legislative agendas, based on earlier elected official focus group

Rent Increase Policy Development

- Staff conducted a robust outreach process to develop a policy recommendation for regulating rent increases in affordable housing, with input collected from developers, property managers, tenant stakeholders, financing partners, nonprofits and other public agencies. Based on this input, the Board authorized formation of a stakeholder work group to focus on a narrowed list of policy options.

Eastside Housing Data Analysis

- Continued preparing new datasets for comprehensive plan updates and housing needs analysis.

Middle Housing

- Coordinated 5 ARCH member cities' collaboration with community-based organizations (CBOs), as required by state planning grants for middle housing.

C. State Legislative Activities.

- Participated in Commerce Department’s MFTE Advisory Committee.
- Collaborated with members on inclusion of funding options in local legislative agendas

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 5 on the following pages shows quarterly activity for projects actively in development through occupancy, and Table 6 shows cumulative production by jurisdiction.

B. Stewardship of Affordable Housing

Affordable Rental Housing Monitoring

ARCH staff performed the following tasks this quarter:

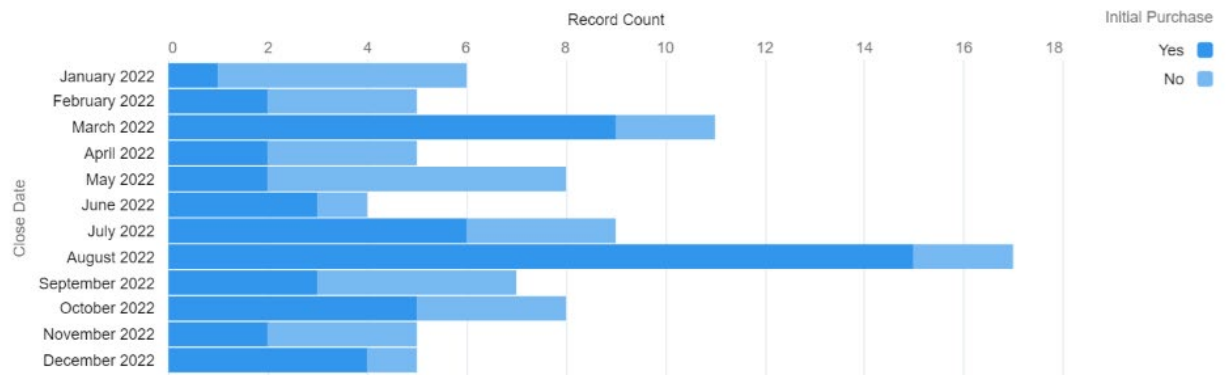
- Conducted property manager/leasing staff trainings and reviewed 90-day Compliance Reports for five new rental projects
- Performed 11 cyclical audits on existing projects, identified any compliance issues, and worked with staff to make necessary corrections.
- Updated Renter Resources page on the ARCH website which includes available rental assistance resources and added the Issaquah Tenant Protections link
- Continued to hold ongoing trainings and monthly Q & A with property managers

ARCH Homeownership Program

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

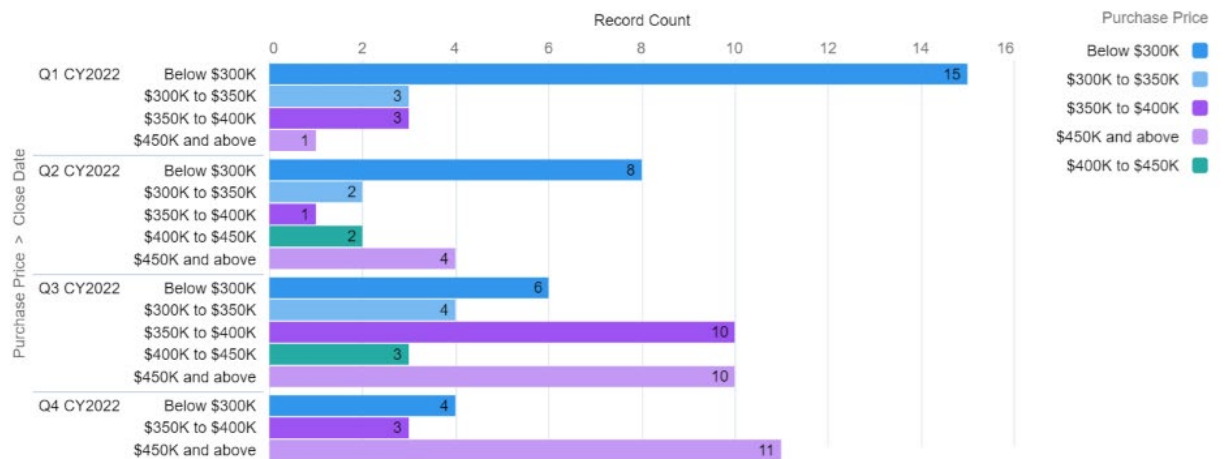
a) Total Units Closed per month – New Constructions and Resales

2022 No. of transactions per month



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

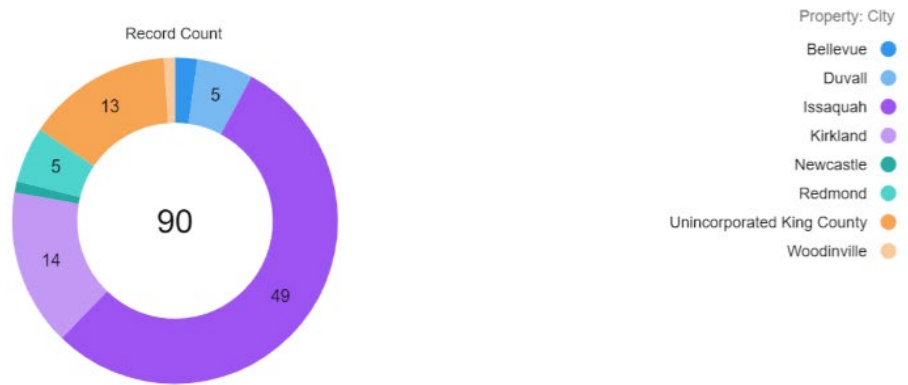


Table 2. Quarterly Affordable Housing Activity in Land Use and MFTE Programs

	Pipeline projects (not yet recorded)	Projects in development			Completed projects	Grand Total
		Permitting or construction	Initial lease or sale	Occupied & monitoring	Occupied & monitoring	
Bellevue	169	11			21	201
Rental	169	11			21	201
Bellevue 10					21	21
BIG 1 Residential		11				11
Broadstone Gateway	38					38
Northup Way Mixed-Use	81					81
Vulcan Bel-Red	50					50
Duvall			1	6		7
Homeownership			1	6		7
The Ridge at Big Rock			1	6		7
Issaquah			2	47		49
Homeownership			2	47		49
Westridge			2	47		49
Kenmore	3					3
Homeownership	3					3
Kenmore Station	3					3
Kirkland	53	2	1		17	73
Homeownership	3	2	1			6
1313 Market		1				1
503 2nd Ave S	1					1
Steeple Rock	2					2
Woodlands Reserve Townhomes		1	1			2
Rental	50				17	67
9040 NE Juanita Dr					2	2
InStyle Homes	2					2
Lakehouse Apartments	34					34
Lifebridge Senior (Morningstar)					15	15
The Pine	14					14
Redmond	92	157	18		63	330
Homeownership	2	14				16
Croquet Club Cottages		2				2
Encore at Rose Hill		1				1
Moment Townhomes	2					2
Penny Lane II		1				1
Rose Hill Cottages (Toll Bros)		1				1
Woodside		9				9
Rental	90	143	18		63	314
Avalon Redmond Campus		11				11
Broadstone Redmond	38					38
LMC South Park (Piper)		28				28
NLG One		25				25
One Marymoor Park (Spectra)		38	8			46
Porch and Park			10			10
Redmond Grand, Phase I		31				31
Redmond Grand, Phase II	31					31
Redmond Sunrise		10				10
The Spark	21					21
Verde Esterra Park (Blocks 2A/2B)					63	63
Grand Total	317	170	22	53	101	663

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		401	8	22	431
Homeownership		62	8		70
Rental		339		22	361
Issaquah	16	164	151	50	381
Homeownership		112	151	17	280
Rental	16	52		33	101
Kenmore	5		51		56
Rental	5		51		56
King County		361	221	140	722
Homeownership			106	134	240
Rental		361	115	6	482
Kirkland	110	114	14		238
Homeownership		35	14		49
Rental	110	79			189
Mercer Island		13			13
Rental		13			13
Newcastle	12	40			52
Homeownership		6			6
Rental	12	34			46
Redmond	127	751	32		910
Homeownership	28	59	17		104
Rental	99	692	15		806
Sammamish		55			55
Homeownership		7			7
Rental		48			48
Grand Total	270	1,899	477	212	2,858

IV. EDUCATION AND OUTREACH

A. Housing 101/Education Efforts

N/A

B. Information for the Public.

- **ARCH Website.** Continued updating the resources page, updated the Affordable Apartment List, and added notifications of new open office hours. The website was designed to highlight the most sought-after information on affordable housing availability and application processes.
- **Assist Community Members Seeking Affordable Housing.** Continued work to provide up to date 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. Continued to update the Homeownership page of the ARCH website with active listings.
- **Assisted Community Members Seeking Resources.** 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. This quarter ARCH staff saw a dip in the number of households on the ARCH mailing list. This could be due to post-COVID resources ending.

• Table 4. Affordable Housing Interest

	Q1	Q2	Q3	Q4	YTD
New applications for ARCH mailing list	1,377	1,177	1,070	648	4,272
Ownership Interest	1,118	875	775	453	3,221
Both	507	462	452	260	1,681

A. Equitable Access to Affordable Housing in East King County

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

- ARCH celebrated its 30th Anniversary in October with a gathering at the Bellevue Botanical Gardens. Over 60 community partners, elected officials, staff and other supporters gathered to celebrate the accomplishments of the coalition and hear from local leaders throughout ARCH's past and present. A slide show highlighting outstanding achievements was assembled by ARCH and member staff and can be found on the ARCH website.
- Continued work with organizations in the community such as EHAC, Hopelink, Catholic Community Services, Muslim Community Resource Center, and many others to maintain an updated Resource Page on the ARCH website.
- Continued to meet 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.
- ARCH staff met with city staff from Bellevue, Bothell, Issaquah, Kenmore, Newcastle, and Redmond to start outreach efforts on the Middle Housing grant project.

V. ARCH OPERATIONS

A. ARCH Operating Fund

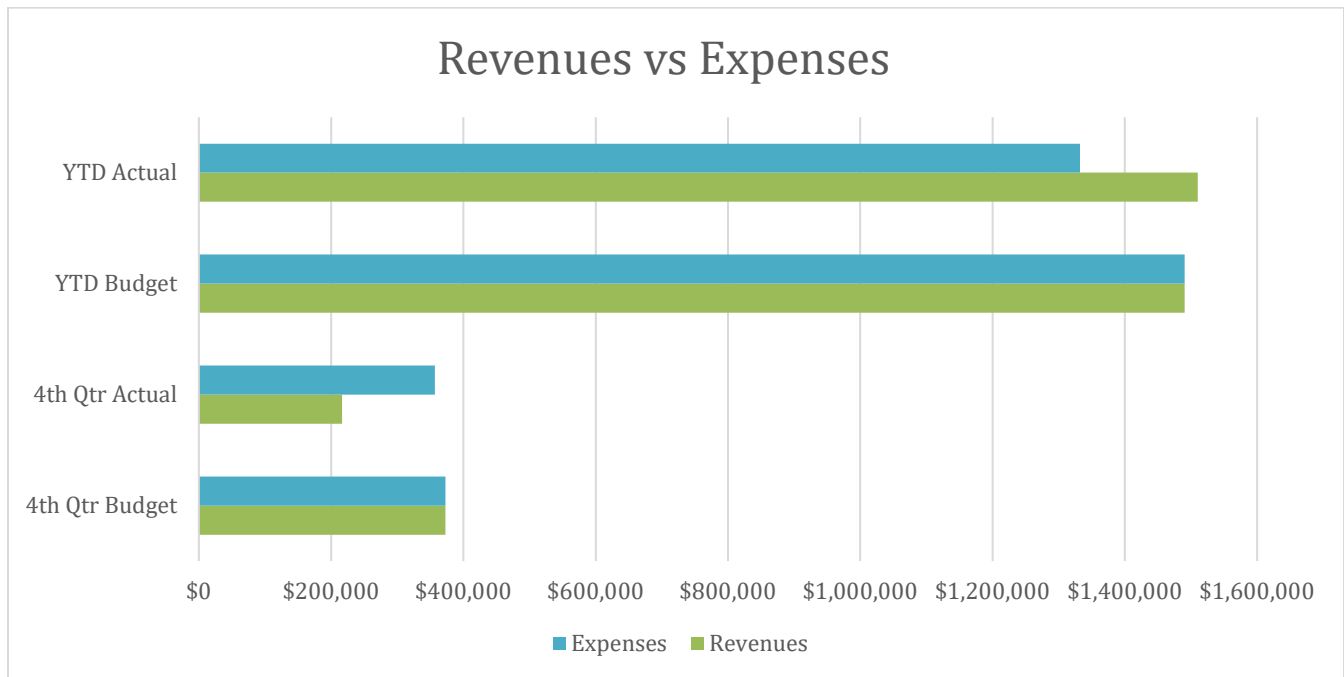
ARCH began the fourth quarter with a cash balance of \$1,057,330 and finished the year with a balance of \$917,294.

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 4

Table 1: Summary of Revenues and Expenses

	4th Qtr Budget	4th Qtr Actual	Difference		YTD Budget	YTD Actual	Difference	% Actual to Budget YTD
Beginning Cash Balance	\$739,094	\$1,057,330	\$318,236		\$739,094	\$739,094	\$0	
Revenues	\$372,616	\$216,677	(\$155,939)		\$1,490,462	\$1,510,232	\$19,770	101%
Expenses	\$372,616	\$356,713	(\$15,903)		\$1,490,462	\$1,332,032	(\$158,430)	89%
ENDING BALANCE	\$739,094	\$917,294	\$178,200		\$739,094	\$917,294	\$178,200	



C. Operating Revenues

Revenue Source	4th Qtr Budget	Actual	Difference	YTD Total Budget	Actual	Difference	% Actual to Budget YTD
Beaux Arts Village	\$ 515	\$ -	\$515	\$ 2,060	\$ 2,060	\$0	100%
Bellevue (cash)	\$ 35,338	\$ 141,353	(\$106,015)	\$ 141,353	\$ 141,353	\$0	0%
Bellevue (in kind)	\$ 50,776	\$ 55,724.07		\$ 203,103	\$ 212,117	(\$9,014)	
Bothell	\$ 23,282	\$ -	\$23,282	\$ 93,127	\$ 93,127	\$0	100%
Clyde Hill	\$ 1,694	\$ -	\$1,694	\$ 6,777	\$ 6,777	\$0	100%
Hunts Point	\$ 515	\$ -	\$515	\$ 2,060	\$ 2,060	\$0	100%
Issaquah	\$ 22,640	\$ -	\$22,640	\$ 90,561	\$ 90,561	\$0	100%
Kenmore	\$ 12,314	\$ -	\$12,314	\$ 49,257	\$ 49,257	\$0	100%
Kirkland	\$ 53,336	\$ -	\$53,336	\$ 213,344	\$ 213,344	\$0	100%
Medina	\$ 1,663	\$ -	\$1,663	\$ 6,650	\$ 6,650	\$0	100%
Mercer Island	\$ 13,816	\$ -	\$13,816	\$ 55,264	\$ 55,264	\$0	100%
Newcastle	\$ 6,730	\$ -	\$6,730	\$ 26,918	\$ 26,918	\$0	100%
Redmond	\$ 39,095	\$ -	\$39,095	\$ 156,381	\$ 156,381	\$0	100%
Sammamish	\$ 33,663	\$ -	\$33,663	\$ 134,651	\$ 134,651	\$0	100%
Woodinville	\$ 6,302	\$ -	\$6,302	\$ 25,207	\$ 25,207	\$0	100%
Yarrow Point	\$ 612	\$ -	\$612	\$ 2,447	\$ 2,447	\$0	100%
King County	\$ 31,250	\$ -	\$31,250	\$ 125,000	\$ 125,000	\$0	100%
Interest*	\$ 525	\$ 10,296.87	(\$9,772)	\$ 2,100	\$ 17,571	(\$15,471)	N/A
Admin fee**	\$ 38,550	\$ 9,302.88	\$29,247	\$ 154,200	\$ 149,487	\$ 4,713	97%
TOTAL	\$ 372,615	\$ 216,677	\$ 155,938	\$ 1,490,460	\$ 1,510,232	(\$19,772)	101%

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

**Admin fee includes administrative fees collected from new applicants and resale. It also includes the program administrative fee collected from the city of Duvall.

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. Note that the minimum 33% reserve requirement will increase by \$127,929 in Q1 of 2023, reducing the balance of uncommitted reserve funds to \$192,545.

Quarter 4

Table 4a: Available (Uncommitted) Reserve Funds	
Cash Balance (End of 4th Quarter 2022):	\$917,294
(less) Administrative Reserve (33% Admin budget)	(\$496,821)
(less) remaining projected expenses through YE 2022	\$0.00
(plus) remaining projected revenues through YE 2022	\$0.00
Sub-Total	\$420,474
(less) committed, unexpended reserve funds	\$100,000
Balance (Uncommitted Reserve Funds):	\$320,474

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						
Planning consultant	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Total	\$0	\$0	\$0	\$0	\$0	\$0