



ARCH EXECUTIVE BOARD AGENDA

June 8, 2023

Bellevue City Hall, Room 1E-110

<https://kirklandwa-gov.zoom.us/j/96905200722>

9:00 a.m. – 10:30 a.m.

- 1) Call to Order
- 2) Approval of the Agenda
- 3) Approval of the May 2023 Meeting Minutes
- 4) Public Comment
- 5) Reports / Action Items
 - a) 2024 Annual Budget and Work Program Approval
 - b) Community Advisory Board Appointments
 - c) 2023 Housing Trust Fund Priorities
 - d) Q4 2022 Report
- 6) Other Business
 - a) Legislative Priorities (continued discussion from May meeting)
 - b) Verbal Updates
 - 2023 ARCH Rent Limits
 - Strategic Planning Committee update
 - Rent Policy Update
- 7) Adjournment

ITEM 3: Approval of the May Meeting Minutes

Approval of the May 2023 Executive Board Meeting minutes

Attachments

- A. Summary Minutes to Executive Board Meeting (May 11, 2023)

A REGIONAL COALITION FOR HOUSING (ARCH)

Summary Minutes to Executive Board Meeting

May 11, 2023
9:00am

Hybrid Meeting

Present:

Diane Carlson, City of Bellevue, Deputy City Manager
Kyle Stannert, City of Bothell, City Manager
Dean Rohla, City of Clyde Hill, City Administrator
Debbie Bent, Kenmore, Community Development Director
Kurt Triplett, City of Kirkland, City Manager
Wally Bobkiewicz, City of Issaquah, City Administrator
Alison Van Gorp, City of Mercer Island, Deputy Director, Community Planning Department
Steve Burns, City of Medina, City Manager
Mark Hofman, City of Newcastle, Community Development Director
Carol Helland, City of Redmond, Director of Planning and Community Development
David Pyle, City of Sammamish, Director of Community Development
Brandon Buchanan, City of Woodinville, City Manager

Absent:

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

Others Present:

Maia Knox, City of Clyde Hill, Assistant City Administrator
Linda Abe, City of Bellevue, Affordable Housing Planning Manager
Ian Lefcourte, City of Redmond, Senior Planner
Lindsay Masters, ARCH, Executive Director
Raquel Rodriguez, ARCH, Program Coordinator
Mike Stanger, ARCH, Senior Planner
Elsa Kings, ARCH, Housing Trust Fund Program Manager
Yelias Bender, ARCH, Senior Program Officer
Terrell Edwards, ARCH, Housing Planner
Patrick Tippy, ARCH, Affordable Housing Program Manager

1. CALL TO ORDER

Ms. Helland called the meeting to order at 9:05am.

2. APPROVAL OF THE AGENDA

Ms. Helland asked for changes to the agenda of May 11, 2023. No changes were made.
Mr. Triplett moved that the agenda be approved. Seconded by Mr. Pyle. Approved 9 – 0.

3. APPROVAL OF THE MINUTES

Mr. Stannert noted a correction on the attendees for the meeting of April 13, 2023, noting Mr. Hofman's presence.
Mr. Pyle moved that the minutes be approved with the amendment. Seconded by Mr. Triplett. Approved 9 – 0.

4. PUBLIC COMMENT

No public comments.

At this time Mr. Hofman, Mr. Bobkiewicz, and Mr. Rohla arrived at the Executive Board meeting.

5a) ARCH 2024 Work Program and Budget Development

Before discussing the agenda item, the Board welcomed Ms. Knox, the new Assistant City Administrator for Clyde Hill, who will serve as the alternate Board member for Clyde Hill.

Ms. Masters reminded the Board of recent deliberations on the Budget and Work Program, including a specific request for legal services made of ongoing services and one-time services. Following last month, Ms. Masters communicated with individual Board members on capacity to fund one-time services, and reported that most members did not have sufficient funds for one-time services, but also preferred not to reduce Trust Fund contributions, and would therefore prefer to use reserves, if available. Staff have reviewed existing reserves and Q1 financial activity and can project there will be adequate reserves to fund the one-time legal fees. Ms. Masters also shared one change to the budget is to the estimated City of Bellevue COLA. Staff received guidance that projected CPI increases are resulting in a 5.85% COLA, up from an earlier estimate. This figure is now incorporated in the draft budget. Ms. Masters noted that at the June Board meeting, a formal motion would be presented to use ARCH reserve funds and could accommodate any conditions or monitoring the Board would like to attach to those funds.

Mr. Stannert thanked Ms. Masters for the early outreach ahead of the meeting and supported the proposal, noting some concerns about the amount of funding for legal services without a more specific breakdown of the costs.

Mr. Pyle inquired why ARCH is on an annual budget when members are on a biennial budget, noting the goal to limit mid-bi budget adjustments. Ms. Masters noted that there are different budget cycles with some members still on annual cycles. Mr. Triplett noted that at the beginning of ARCH all cities were on an annual budget, and that is how the ILA was crafted. Mr. Hofman noted that Newcastle is still on an annual budget and likely to stay that way. Ms. Knox noted Clyde Hill is also on an annual budget.

Ms. Helland inquired if any other information is needed before bringing back the budget with adjusted COLA and the motion for legal services. Board members indicated their support.

Ms. Masters noted there are still comments coming into the Work Program from members and shared some suggested edits to the 2024 Work Program priorities, including a priority to advance one or two legislative priorities, and to support members with Comp Plan updates and new state requirements for local planning.

Mr. Triplett asked for clarification around the legislative priorities, and asked if the REET Bill would be the main bill that ARCH would focus on in 2024. Ms. Masters responded that the REET bill will be a top priority in 2024, but it is also up to the Board if there are other bills that are likely to come back that did not pass this year but may be a topic for discussion next year.

Ms. Helland noted the TOD bill is expected to come back next year, and because of the different way cities do legislative agendas, asked how to get more specific support to enable ARCH to advocate on behalf of cities on a shared priority. Mr. Pyle noted that cities are going into an election year and that can result in a shift in political direction and there may not be alignment going forward. Mr. Buchanan agreed it would be difficult to come up with something everyone agrees on, and the specifics matter even when there is agreement on principles; it will be a real challenge to get agreement on something specific enough to be meaningful. Mr. Hofman agreed, but noted it's still worth examining and having the conversation.

Ms. Masters noted that we could continue to take the approach of supporting cities in their efforts to advocate, but not advocate on behalf of members, but also convene members early enough to identify areas of consensus and potentially influence legislation before it's introduced.

Mr. Pyle added that he agrees with the added priority of 'supporting members with implementation of Comp Plan updates and compliance with HB1220 and HB1110' and the City of Sammamish will be looking to ARCH for assistance with those. Ms. Helland, referencing the priority Mr. Pyle mentioned, asked if ARCH could amend the verbiage so that it reads 'Support members with implementation of Comp Plan updates and compliance *with state mandates such as* HB1220 and HB1110', in order to not narrow the support that ARCH can provide. Board members did not have concerns with that amendment.

No further action is required from the Executive Board at this time.

5b) KCHA Kirkland Heights Revised Funding Recommendation

In December, the Executive Board approved recommendations from the Community Advisory Board to fund a total of eight projects. Some projects were only recommended for partial funding due to limitations in available dollars, including Kirkland Heights, a 276-unit redevelopment owned by the King County Housing Authority. Since then, King County staff notified ARCH that the 2023 CDBG grant amounts were finalized, creating an opportunity to advance an additional amount of funding to the project. The Community Advisory Board discussed the project and recommended allocation of the funds as described in the packet. While ARCH is aware of a range of other projects with anticipated need for funding later this year, staff supports the CAB's intent to expedite the investment of available funds to a project that can proceed with construction this year, given the expenditure deadlines that apply to CDBG funds. This would also help reduce carrying costs that will add to the project cost

Mr. Hofman brought up that the issue when funding this project in the past was cost of renovation vs. cost of new, and even though we proceeded and supported the project in the fall, he wondered if what comes relates to those increased costs or are we still on track. Ms. Masters responded that the budget has not changed from what it was presented in the fall, we simply did not fund the full request. In addition, the project had two \$5 million requests to the State Housing Trust Fund and they are still on the waiting list for those dollars. There is a very good chance of getting an award from the state, but not likely the entire amount requested.

Ms. Carlson asked if there were other projects eligible for the CDBG funding that ARCH did not fund in the fall. Ms. Kings responded that ARCH engaged in a pipeline discussion to understand any potential projects that could be coming to ARCH for funding in the next couple of rounds and there were some projects eligible for CDBG funding, however, those projects would not be able to expend the CDBG amounts in the time required by King County while the Kirkland project is ready to meet those requirements. Ms. Helland also noted that projects like these help to protect against displacement.

Mr. Hofman moved to approve the updated funding recommendation of the CAB for referral to the JRC. Seconded by Mr. Pyle. Approved 12 – 0.

5c) Overlake Village TOD RFP

Ms. Elsa Kings briefed the Executive Board on the future affordable transit-oriented development project on Sound Transit property at Overlake Village, presentation can be found in the Executive Board packet.

Mr. Triplett asked what was known about Bellwether, since he was not familiar with them and asked for clarification of the role of the Redmond Police Department. Ms. Kings responded that Bellwether is a big company that has worked on many non-profits in the past, Ms. Masters added that Bellwether is one of the largest and oldest non-profits that develop affordable housing in Seattle. Ms. Helland, addressing the funding allocated towards the Police department, clarified that is looking for substation space due to police response time taking longer than usually to get to that location, but Redmond will be having internal discussions on whether this is the best way to allocate those funds being given the mix of other culturally relevant providers in that project, or if another space on the Microsoft campus would be more appropriate.

No further action is required from the Executive Board at this time.

5d) Housing Trust Fund Application Interest and Parity Update

Ms. Masters presented a summary of the 2023 to 2024 Application Interests Received for the Housing Trust Fund. Ms. Helland inquired about the Emma McRedmond project, noting Redmond has already committed \$600k to that project. The presentation also included ARCH funding availability in 2023, a recap of recent discussions about parity goals, and an update on the legislature not acting on any new local revenue sources for affordable housing

development this session. However, ARCH members were extremely successful in aligning and coordinating efforts to demonstrate a strong show of support for the local option REET bill (HB 1628, the Affordable Homes Act).

Mr. Triplett noted that there is no solution without a revenue source, and proposed an idea to convene legislators to hear from the people actually doing the projects rather than just hearing from the cities.

At the June meeting, the Board will have an opportunity to discuss and approve a set of priorities for the Trust Fund guidelines this year.

No further action is required from the Executive Board at this time.

6) OTHER BUSINESS

Verbal Updates

- Hiring updates – Raquel Rodriguez was promoted to Program Coordinator, the promotion will be to focus on outreach efforts and further support programs and events. Patrick Tippy was also hired to support the Bellevue Housing Stability Program. Ms. Helland suggested that Board members should save the date for the Together Center grand opening on September 9, 2023.

- Strategic Planning Committee update – Ms. Masters notified the Board that the committee is ready to start convening. Ms. Masters also expressed her gratitude to the Board members that volunteered – Mr. Triplett, Ms. Bent, Mr. Hofman, Ms. Carlson, and Community Advisory Board Chair, Ms. Olga Perelman, will also join the committee.

- Upcoming Agenda Items – Ms. Masters noted upcoming agenda items, including Community Advisory Board Appointments. ARCH staff has carried out a recruitment process and received many applications. Staff will be bringing those applications to the Executive Board for approval.

Ms. Helland asked Board members how they like the hybrid model we currently have for the Executive Board meetings, if members would like to be solely remote then that is something that should be discussed.

Ms. Helland noted that there is a lot of work going on in different cities on code developments and regulation updates and asked Board members if there is any advantage in discussing what different cities are experiencing at a later meeting. Board members agreed.

At this time Mr. Burns left the Executive Board meeting.

7) ADJOURNMENT

Mr. Pyle moved to adjourn the board meeting. Seconded by Mr. Hofman. Approved 11-0.

The meeting was adjourned at 10:28am.

ITEM 5A: ARCH 2024 Work Program and Budget Development

Approval of ARCH 2024 Administrative Budget and Work Program Recommendation

Background

The ARCH Interlocal Agreement (ILA) provides the Executive Board with the authority and responsibility to “develop and recommend a budget and work program” on or before June 1st of each year for the following calendar year. Over the last several months, staff have briefed the Board on key issues that have informed budget deliberations in recent years, and developed a draft budget based on the Board’s guidance. The Board gave direction early on regarding baseline budget assumptions, including maintaining existing staffing levels and incorporating some new funding for legal services. More significant questions about whether services should be expanded or how to prioritize resources are expected to be addressed through a longer strategic planning process.

In April, the Board was briefed on the specific funding request for legal services submitted by the Bellevue City Attorney’s office. The request consists of \$95,000 in recurring funds for regular program transactions, and \$155,000 in one-time funds for updating legal templates, which falls under the responsibilities of the Board under the ILA. Based on individual feedback from Board members, staff recommended a budget option that funds one-time legal expenses with existing ARCH operating reserves.

In May, the Board concurred with this recommendation, and gave direction to bring back the draft budget option presented at the May meeting for final approval in June, with a separate motion to approve the use of reserves for one-time legal expenses. Staff have worked with the Board Chair to prepare a draft motion incorporating comments from Board members related to the scope and cost of the proposed services, as well as ongoing Board oversight.

Staff have also completed collecting Work Program edits from member staff. A clean copy of the final Work Program is attached.

Staff Recommendation

Staff recommend the Board:

- Adopt the attached 2024 Budget and Work Program for recommendation; and
- Approve the attached motion authorizing up to \$155,000 in reserves for one-time legal expenses.

Attachments

1. Motion authorizing up to \$155,000 in funding for outside counsel legal fees
2. Draft 2024 ARCH Administrative Budget (updated June 2023)
3. Draft 2024 ARCH Work Program (updated June 2023)

DRAFT MOTION TO AUTHORIZE FUNDS FOR ARCH LEGAL SERVICES

I move that the Board authorize the expenditure of up to \$155,000 of ARCH reserves for outside counsel legal services to complete a scope of work consistent with items 3 and 4 in the April 7, 2023 budget request for one-time expenditures by the Bellevue City Attorney's Office (CAO), as well as the allocation of up to \$95,000 in funding from ARCH's 2024 budget, subject to budget approval from member councils, for ongoing outside counsel legal services consistent with items 1 and 2 in the CAO request. The Executive Director and/or Board Chair will participate in the CAO process to select a firm to complete the authorized scope. The CAO and Executive Director shall inform the full Board of the selected firm and provide ongoing reports on expenditures so long as the expenditures continue. The expenditure authority for use of reserves shall expire no later than December 31, 2024, unless extended by the Board.



Date: April 7, 2023
To: ARCH Executive Board
From: Kathy Gerla, Bellevue City Attorney
RE: Budget Request for Outside Counsel

Proposal

The Bellevue City Attorney's Office (CAO) provides legal services to ARCH. Those services include negotiating and preparing documents for Housing Trust Fund projects as well as recommending updates to the template documents used for Trust Fund projects. These projects often involve complex financing and other issues. The CAO is seeking funding from ARCH members in the next annual budget to contract with outside counsel with specialized expertise in affordable housing issues. This contract would be an on-call contract that allows the CAO to have ready access to outside counsel when specialized expertise would be helpful in providing legal services to ARCH.

The proposal is to use outside counsel to perform the following work.

Ongoing

1. Assist in negotiating and finalizing project loan, financing and other relevant documents for individual Housing Trust Fund projects. We anticipate this would be an ongoing on-call contract.
2. Use outside counsel as issues arise for which we could use some specialized expertise (e.g. the question concerning affordable housing income limits).

One-Time

3. On a one-time basis, we would use the expertise of outside counsel, working with ARCH staff, to review the current Housing Trust Fund template documents and provide recommendations to the ARCH Executive Board on any amendments.
4. As part of providing technical assistance, the funding could also be used for the CAO to contract with outside counsel to review individual members' MFTE and Land Use Incentive Program boilerplates and provide recommendations on whether there are similar improvements member cities may want to consider.

Funding Request

Total Request: \$250,000

Of this, we expect approximately \$95,000 would be ongoing costs and \$155,000 would be one-time costs.

Final 2024 ARCH Administrative Budget

ARCH Executive Board Recommendation

June 2023

	2023 Adopted Budget	Final 2024 Recommended Budget	% Change
I. TOTAL EXPENSES	\$ 1,874,248	\$ 2,254,199	20%
A. Personnel	\$ 1,717,777	\$ 1,981,178	15%
Salaries	\$ 1,286,581	\$ 1,492,415	
Benefits	\$ 431,196	\$ 488,763	
<i>12 FTEs (incl. 1 dedicated to Bellevue Housing Stability Program)</i>			
<i>Note: % change in budget for existing staff is 5%.</i>			
B. Operating	\$ 103,142	\$ 108,192	4.9%
Rent & Utilities	\$ 38,117	\$ 44,133	
Telephone	\$ 7,518	\$ 7,819	
Travel/Training	\$ 2,600	\$ 2,600	
Auto Mileage	\$ 3,000	\$ 1,500	
Postage/Printing Costs	\$ 2,600	\$ 2,678	
Office Supplies/Furnishing	\$ 5,027	\$ 2,500	
Internet/Website Fees	\$ 3,214	\$ 3,342	
Periodical/Membership	\$ 11,400	\$ 15,000	
Misc. (events, job posting fees, etc.)	\$ 2,080	\$ 3,000	
Equipment Replacement	\$ 7,280	\$ 4,500	
Database/software licensing	\$ 20,307	\$ 21,120	
C. In-Kind Admin/Services	\$ 28,329	\$ 44,830	58%
Insurance	\$ 15,750	\$ 32,000	
IT Services	\$ 12,579	\$ 12,830	
D. Grants and Consultant Contracts	\$ 25,000	\$ 120,000	380%
Consultant Contracts	\$ 25,000	\$ 25,000	
Outside Legal Counsel Contract		\$ 95,000	

	2023 Adopted Budget			Final 2024 Recommended Budget			% Change
	City Per Capita \$2.58 KC Per Capita \$2.16	Add'l \$0.36 Per Capita or \$3k minimum		City Per Capita \$2.87 KC Per Capita \$2.49	Add'l \$0.38 Per Capita		
II. TOTAL INCOME	\$1,874,248			\$ 2,254,199			20%
	TOTAL	BASE	ADD'L				
A. Member Contributions (General Fund \$)	\$1,687,043	\$1,550,543	\$136,500	\$ 1,910,802	\$ 1,764,978	\$ 145,825	13%
Beaux Arts Village	\$2,653	\$2,653		\$ 3,019	\$ 3,019		14%
Bellevue	\$429,021	\$376,377	\$52,644	\$ 485,060	\$ 428,932	\$ 56,127	13%
Bothell	\$119,461	\$119,461	\$0	\$ 135,990	\$ 135,990	\$ -	14%
Clyde Hill	\$8,653	\$8,653		\$ 8,954	\$ 8,954		3%
Hunts Point	\$2,653	\$2,653		\$ 3,019	\$ 3,019		14%
Issaquah	\$113,628	\$99,685	\$13,943	\$ 126,837	\$ 112,160	\$ 14,677	12%
Kenmore	\$62,304	\$59,154	\$3,150	\$ 71,011	\$ 67,646	\$ 3,365	14%
Kirkland	\$267,567	\$234,734	\$32,833	\$ 297,651	\$ 263,209	\$ 34,442	11%
Medina	\$8,455	\$8,455		\$ 8,408	\$ 8,408		-1%
Mercer Island	\$69,646	\$66,496	\$3,150	\$ 76,611	\$ 73,246	\$ 3,365	10%
Newcastle	\$34,255	\$31,105	\$3,150	\$ 40,281	\$ 36,916	\$ 3,365	18%
Redmond	\$199,499	\$175,019	\$24,480	\$ 234,358	\$ 207,240	\$ 27,118	17%
Sammamish	\$171,231	\$168,081	\$3,150	\$ 194,426	\$ 191,060	\$ 3,365	14%
Woodinville	\$33,578	\$33,578	\$0	\$ 38,041	\$ 38,041	\$ -	13%
Yarrow Point	\$3,484	\$3,484		\$ 3,920	\$ 3,920		12%
King County	\$160,957	\$160,957		\$ 183,216	\$ 183,216		14%
B. Bellevue Detail	\$ 429,021			\$ 661,142			54%
Cash Contributions	\$ 215,762			\$ 233,409			
In-Kind Contributions	\$ 213,259			\$ 427,733			
Personnel	\$ 184,930			\$ 382,903			
Insurance	\$ 15,750			\$ 32,000			
IT Services	\$ 12,579			\$ 12,830			
C. Other Income	\$ 187,205			\$ 167,315			-11%
Homeownership Program Fees	\$ 185,000			\$ 165,000			
Existing Administrative Fees	\$ -			\$ -			
Interest Earned	\$ 2,205			\$ 2,315			
III. RESERVES, CONTINGENT INCOME AND EXPENSES							
<i>Note: This section expresses intended use of any excess revenues above levels needed to cover basic operating costs, as authorized by the ARCH Board, and any agreement by an ARCH member to fund work under section 13 of the ARCH Interlocal Agreement</i>							
A. Contingent Expenses							
Replenish operating reserves	\$ -			\$ -			
Staffing/Administrative Expenses	\$ 150,000			\$ 150,000			
Other Services/Consulting	\$ 300,000			\$ 300,000			
B. Contingent Revenue							
Excess Administrative Fees	\$ 100,000			\$ 100,000			
Service Fees	\$ 50,000			\$ 50,000			
Grant Funding	\$ 500,000			\$ 145,000			
Board-Approved Reserves	\$ 100,000			\$ 155,000			

ARCH WORK PROGRAM: 2024

Contents

2024 Priorities.....	2
I. AFFORDABLE HOUSING INVESTMENT	2
A. ARCH Housing Trust Fund.....	2
B. Bellevue Housing Stability Program	3
C. Special Projects and Other Local Housing Investments	3
II. HOUSING POLICY AND PLANNING	4
A. Local Policy, Planning and Code Development	4
B. Inter-Local / Eastside Planning Activities	4
C. State Legislative Activities.....	5
D. Regional/Countywide Planning Activities	6
III. HOUSING PROGRAM IMPLEMENTATION	6
A. Administration of Housing Incentive and Inclusionary Programs.....	6
B. Stewardship of Affordable Housing Assets	7
IV. EDUCATION AND OUTREACH	8
A. Housing 101/Education Efforts	8
B. Information and Assistance for the Public.....	8
C. Equitable Access to Affordable Housing in East King County.....	9
V. ADMINISTRATION	9
A. Administrative Procedures.....	9
B. Organizational Assessment and Planning	9

ARCH WORK PROGRAM: 2024

2024 Priorities

In 2024, ARCH will elevate the following priorities in its Work Program:

- Implement actions and recommendations from ARCH’s strategic planning process
- Facilitate and advance proposals for dedicated revenue sources for affordable housing in East King County
- Assist members to implement policies to reduce cost burden in affordable housing
- Convene members to advance one or two strategic legislative priorities that impact local jurisdictions’ ability to address affordable housing needs
- Advance the development of high impact special projects, including transit-oriented development projects and other projects on public lands
- Support members with implementation of Comp Plan updates and compliance with state mandates such as HB 1220 and HB 1110
- Continue to provide excellent stewardship of affordable housing assets

I. AFFORDABLE HOUSING INVESTMENT

A. ARCH Housing Trust Fund

Parity Goals. Develop updated goals for member investments through the ARCH HTF.

Annual Funding Round. Develop funding priorities and evaluation criteria for the annual funding round. Advertise available funds and manage a competitive process on behalf of member cities. Review funding applications and develop recommendations through the Community Advisory Board (CAB), with input from member staff. Develop final recommendations by the ARCH Executive Board and facilitate final funding allocations through member councils.

Public Funding Coordination. Work collaboratively with public funders at the State and local levels to promote shared affordable housing goals and equitable geographic distribution of resources. Review and provide input to other funders for Eastside projects that apply for County (HOF, RAHP, HOME, TOD, etc.) and State (Tax Credit, State Housing Trust Fund) resources. Provide input to the King County Joint Recommendations Committee (JRC) on behalf of participating Eastside jurisdictions. Assist N/E consortium members with evaluating and making a recommendation to the County regarding CDBG allocations to affordable housing.

Private Funding Coordination. Work with private investors and lenders to maximize leverage of public investment into affordable housing. Negotiate maximum public benefits from investment of housing funds into private projects. Engage with Enterprise Community Partners and other investors on the potential extension of the Regional Equitable Development Initiative (REDI) Fund. Complete implementation of a Bridge Financing Pilot in partnership with Microsoft.

Project Pipeline Management. Work with member cities and project sponsors to develop a robust pipeline of projects to be funded over the next five years (see related work on Transit Center sites, below). Actively vet

potential HTF projects, and lead funding policy and prioritization discussions with the ARCH Executive Board to facilitate planning and decision-making.

Contract Development and Administration. Prepare contract documents in consultation with legal counsel and facilitate approval of contracts with the Administering Agency. Review and approve disbursement of funds to awarded projects in accordance with executed contracts.

Centralized Trust Fund Reporting. Work with Administering Agency (Bellevue) to maintain records and produce regular financial reports for the ARCH Trust Fund accounts. Update internal policies and procedures regarding records maintenance efforts coordinated with the Administering Agency.

HB 1406 Sales Tax. Develop systems and procedures to manage contributions, commitments and expenditures of pooled sales tax revenue authorized by HB 1406. Work with the Department of Commerce to ensure timely and complete reporting in compliance with state requirements.

B. Bellevue Housing Stability Program

Annual Request for Proposals. On an annual basis, advertise available funds for capital, operating and maintenance and services funds. Solicit application interest and provide in-depth review of funding applications. Develop recommendations through a Bellevue interdepartmental staff team, ensuring coordination with the Trust Fund and other regional and state funding processes. Coordinate with City staff and present recommendations to the Bellevue City Council for approval.

Contract Development and Administration, Reporting. Prepare contract documents in consultation with legal counsel and facilitate approval of contracts. Review and approve disbursement of funds to awarded projects in accordance with executed contracts. Maintain contract data and assist with regular reporting to the Bellevue City Council.

Support for Other HSP Initiatives. Provide advice and support for other City initiatives funded through the Housing Stability Program, such as acquisition and preservation partnerships. Support may include assisting with overall outreach and engagement, evaluation of project feasibility, development of funding terms and conditions and preparation of project agreements.

C. Special Projects and Other Local Housing Investments

Local Housing Investments. Provide strategic policy support and administrative capacity to cities making other investments in housing, for example with fee in lieu funds, dedicated sales tax funds, pass through of state grant funds or other sources directed by individual cities. Ensure coordination with regional funding processes to maximize affordable housing outcomes.

Transit-Oriented Development Sites. Assist cities with advancing and coordinating affordable housing projects near transit. Partner with Sound Transit, King County Metro and other public agencies to maximize opportunities on public property. Current opportunities include sites in Bel-Red, Overlake, Downtown Redmond, Issaquah, Kirkland, Bothell, and Kenmore.

Surplus Property/Underdeveloped Property. Assist with evaluation of public surplus or underutilized private property (e.g., faith community properties) for suitability of affordable housing. Provide technical assistance to property owners interested in supporting affordable housing. Develop an inventory of promising public and nonprofit property and begin to engage owners to gauge interest in disposition for housing.

Preservation of At-Risk Affordable Housing. Work with member cities to facilitate acquisitions or other strategies to preserve existing housing where affordability is at risk of being lost, including at-risk manufactured housing communities. As needed, assist with responding to notices of sale of HUD assisted properties received by member cities, or other information indicating an impending loss of existing affordable housing.

Strategic Predevelopment Investment. With approval of the Executive Board, invest in predevelopment studies to investigate feasibility of special projects.

II. HOUSING POLICY AND PLANNING

A. Local Policy, Planning and Code Development

ARCH provides assistance directly to member cities on a range of local planning efforts. Local planning efforts with individual member cities may be found in *Attachment A*. These efforts may take different forms, such as:

- **Housing Element Updates.** Work with members to update comprehensive plan housing elements.
 - Assist with understanding and complying with new housing-related requirements under the Growth Management Act and Countywide Planning Policies.
 - Prepare an east King County housing needs analysis with focused analyses for each city—including projected affordable housing needs—to fulfill GMA requirements.
 - Coordinate local and ARCH affordable housing goals with King County Affordable Housing Committee and Countywide Planning Policies.
 - Assist with policy writing, outreach, presentations, etc. as needed.
- **Housing Strategy and Action Plans.** Assist members to prepare housing strategies to implement housing elements and create council work plans. Cities with completed or ongoing strategy and action plans include Bellevue, Issaquah, Kenmore, Bothell, Kirkland, Redmond, and Sammamish.
- **Incentive Program Design.** Provide economic analysis and policy and program development support to design local housing incentive programs, including land use, property tax, impact fee waivers, parking reductions and other incentives. Develop standard tools or models that can be used by member cities/staff to evaluate and design their individual affordable housing incentive/inclusionary programs.
- **Land Use Code Amendments.** Assist city staff on land use and other code amendments in order to implement comprehensive plan policies.
- **Other Support.** Other areas in which ARCH could provide support to member cities include preservation of valuable community housing assets, assistance to households displaced by development activity, review of tenant protection regulations, or negotiation of agreements for specific development proposals. ARCH views this as a valuable service to its members and will continue to accommodate such requests to the extent they do not jeopardize active work program items.

B. Inter-Local / Eastside Planning Activities

Interlocal planning activities are coordinated by ARCH for the benefit of multiple members.

ARCH Regional Affordable Housing Goals and Reporting. Work with member staff and the ARCH Executive Board to report on adopted goals for production and preservation of affordable housing across ARCH member communities. Utilize data methodologies consistent with the requirements of GMA and Countywide Planning Policies.

Long-Term Funding/Dedicated Revenue Strategy. Continue work on a long-term funding strategy for the ARCH Trust Fund. Facilitate conversations with member cities on identifying and exploring dedicated sources of revenue for affordable housing at the local and regional level (e.g., REET, property tax levy, commercial linkage fee, etc.). Provide relevant data and develop options for joint or individual revenue approaches across ARCH member cities and identify any shared state legislative priorities to authorize local options for funding.

Incentive/Inclusionary Housing Program Policies. As program implementation issues arise, assist member jurisdictions to develop coordinated policy solutions that incorporate input from the diverse range of stakeholders. Work with member city staff to develop code amendments that adapt programs to new knowledge and best practices (for example, implementing fee strategies to create sustainable revenue for monitoring). In 2024, this will include assisting members to consider new rent increase policies for ARCH monitored housing that create more predictable outcomes for tenants and property owners.

Tenant Protection Policies. Share information and help identify common policy priorities relating to tenant protections. Facilitate consideration of local regulations by ARCH members and help to encourage consistent protections for renters across the region that reduce evictions and economic displacement.

Eastside Housing Data Analysis and Planning for GMA Housing Requirements. On an annual basis, provide local housing and demographic data as available. Make information available to members for planning efforts and incorporate into ARCH educational materials. Facilitate and encourage members to collaborate in addressing new GMA/CPP housing requirements so that the affordable and special housing needs across east King County are addressed.

Middle Housing/HB 1110 Implementation. Support members to implement new affordability incentives required by HB 1110, including evaluating new incentive programs and stewarding affordable units that may be created through the new regulations. In addition, support members to utilize input from a range of community based organizations representing diverse constituents when considering middle housing regulations.

C. State Legislative Activities

The ARCH Executive Board will discuss and explore shared legislative priorities for advancing affordable housing in the region, and identify one or two strategic legislative priorities to advance to their respective councils for consideration in the upcoming legislative session that impact local jurisdictions' ability to address affordable housing needs. ARCH will convene its members to discuss how to align and advance these priorities, with a goal to enable members to advocate collectively for greater impact.

ARCH staff will track relevant state (and, where feasible, federal) legislation, particularly any legislation related to priorities established by the Board. As needed, staff will report to the Executive Board and members, and coordinate with relevant organizations (e.g., AWC, SCA, WLIHA, HDC) to advance shared legislative priorities.

D. Regional/Countywide Planning Activities

ARCH participates in regional planning efforts to advance Eastside priorities and ensure that perspectives of communities in East King County are voiced in regional housing and homelessness planning.

King County GMPC Affordable Housing Committee / Housing Inter-Jurisdictional Team (HIJT). Support efforts to advance the five-year action plan developed by the Regional Affordable Housing Task Force (RAHTF) in 2018. ARCH will help staff the HIJT, which provides support to the Growth Management Planning Council's Affordable Housing Committee (AHC).

King County Regional Homelessness Authority (KCRHA) / Eastside Homeless Advisory Committee (EHAC). Support Eastside collaboration in regional homelessness efforts, as appropriate and as resources allow. Collaborate with KCRHA, EHAC and other relevant organizations and initiatives to advance shared work on homelessness. Promote best practices in development of housing solutions that move people out of homelessness. Coordinate allocation of resources, and work on specific initiatives.

Explore Collaboration with Cities in North and East King County. As requested, engage cities interested in supporting affordable housing in north and east King County that are not currently members of ARCH. Explore collaboration that provides benefits for additional cities and current ARCH member cities. Enter into agreements to provide services to other cities, as directed by the ARCH Executive Board.

III. HOUSING PROGRAM IMPLEMENTATION

A. Administration of Housing Incentive and Inclusionary Programs

ARCH partners with member cities to administer local housing incentive and inclusionary programs, including mandatory inclusionary, voluntary density bonus, multifamily tax exemption (MFTE) and other programs. Specific programs administered by ARCH include:

Jurisdiction	Incentive/Inclusionary Programs
Bellevue	Voluntary density bonuses, MFTE, impact fee waivers.
Bothell	Inclusionary housing, MFTE.
Issaquah	Development agreements, voluntary and inclusionary programs, impact and permit fee waivers.
Kenmore	Development agreements, voluntary and inclusionary programs, MFTE, impact fee waivers.
Kirkland	Inclusionary program, MFTE.
Mercer Island	Voluntary density bonus.
Newcastle	Inclusionary program, impact fee waivers.
Redmond	Inclusionary program, MFTE.
Sammamish	Inclusionary and voluntary density bonuses, impact fee waivers.
Woodinville	MFTE.
King County	Development agreements.

ARCH roles and responsibilities will typically include:

- Work with member city staff and legal counsel to align incentive and inclusionary programs with a unified set of administrative policies, practices and templates for legal agreements
- Communicate with developers/applicants and city staff to establish applicability of codes and policies to proposed developments
- Review and approve proposed affordable housing (unit count, location/distribution, bedroom mix, and quality)
- Review and recommend approval of MFTE applications.
- Review and recommend approval of alternative compliance proposals
 - For fee in lieu projects, provide invoices and receipts for developer payments
- Develop contracts and covenants containing affordable housing requirements
- Ensure implementation of affordable housing requirements during sale/lease-up
- Register MFTE certificates with County Assessor and file annual MFTE reports with state Commerce.
- On-going compliance monitoring (see Stewardship, below).

B. Stewardship of Affordable Housing Assets

ARCH provides long-term oversight of affordable housing created through city policies and investment to ensure stewardship of these critical public assets for residents, owners and the broader community.

ARCH Rental Program (Incentive and Inclusionary Projects). Monitor and enforce compliance in rental housing projects with incentive and inclusionary housing agreements. Administer a robust compliance monitoring program, including:

- Ensure compliance with rent and income restrictions through timely annual report reviews and supplemental on-site file audits
- Provide training and technical assistance for property managers
- Maintain written standards for eligibility, leasing and other program requirements
- Implement standard remedies for non-compliance
- Respond to tenant issues and questions

ARCH Trust Fund Projects. Oversee contracts and regulatory agreements with owners of projects supported through the direct assistance from members, including:

- Monitor project income and expenses to determine cash flow payments
- Conduct long-term sustainability monitoring of projects and owners
- Proactively problem-solve financial and/or organizational challenges in partnership with project owners and other funders
- Work with legal counsel to review and approve requests for contract amendments, subordination and other agreements
- Pursue formal MOUs with other funders to govern shared monitoring responsibilities that streamline processes for owners and funders.
- Collect annual compliance data and evaluate program beneficiaries

ARCH Homeownership Program. Provide effective administration to ensure strong stewardship of resale restricted homes in the ARCH Homeownership Program, including:

- Oversee resales and new construction sales to ensure ongoing compliance with affordability, buyer eligibility and other program requirements
- Implement adopted policies and procedures for monitoring and work with cities to address non-compliance

- Distribute an annual communication with relevant homeowner resources and respond to homeowners in financial distress
- Collect program fees to ensure sustainable operations

As time and resources allow, continue to implement recommendations from the 2019 Program Assessment and make other improvements that support the program objective of creating and preserving long-term affordability, including:

- Work with member planning and legal staff to make improvements to boilerplate legal documents, in consultation with key stakeholders and outside counsel, as needed
- Develop strategies to preserve homes at risk of foreclosure
- Preserve expiring units and pursue strategies to re-capture lost affordability
- Pursue offering brokerage services or developing partnerships with realtors to provide cost-savings to homebuyers and sellers, diversify program revenue, and expand ARCH's marketing reach
- Plan for additional staff capacity as the number of ARCH homes continues to grow.

Work with the Washington State Housing Finance Commission to evaluate the ARCH Eastside Down Payment Assistance Program and make updates to provide effective financial assistance to income-eligible first time homebuyers in East King County.

Database/Systems Development. Continue to utilize the new ARCH Homeownership Program database to collect critical program data and evaluation, compliance monitoring, communication with program participants, and other key functions. Continue to improve and streamline data systems for ARCH Rental Program and Trust Fund Program. Develop a new Trust Fund project and loan database to assist with timely loan monitoring and reporting. Update information systems to ensure accurate, efficient recording of transactions within ARCH Trust Fund accounts.

IV. EDUCATION AND OUTREACH

A. Housing 101/Education Efforts

Housing 101. Develop educational tools and conduct or support events to inform councils, planning commissions, member staff and the broader community of current housing conditions, and of successful housing programs. Build connections with community groups, faith communities, developers, nonprofits and others interested in housing issues. Plan and conduct a Housing 101 event.

Private Sector Engagement. Support efforts by ARCH member cities to engage employers and private sector entities in discussions around the need for more affordable housing and identifying options for public-private partnerships.

B. Information and Assistance for the Public

Office Hours. Provide published office hours, consistent with public health guidelines, for appointments or walk-in customer service. Open office hours will be advertised on the ARCH website and ARCH Facebook page and shared with partner organizations.

ARCH Website. Continually update and build on information in the ARCH website. Maintain information on the most urgently needed resources in the community, including rental assistance, no-cost legal services, mortgage assistance, and senior resources available in East King County.

Assist Community Members Seeking Affordable Housing. Maintain up-to-date information on affordable housing in East King County (rental and ownership) and distribute to people looking for affordable housing. Continue to maintain a list of households interested in affordable ownership and rental housing and advertise newly available housing opportunities. Work with other community organizations and public agencies to develop appropriate referrals for different types of inquiries received by ARCH (e.g., rapid re-housing, eviction prevention, landlord tenant issues, building code violations, fair housing complaints, etc.).

C. Equitable Access to Affordable Housing in East King County

Collect and analyze data on existing programs to determine potential gaps in access by different populations, such as communities of color, immigrant and refugee communities, homeless individuals and families, and workers in EKC commuting from other communities. Evaluate strategies and outreach goals to increase access to affordable housing in EKC by underserved communities. Develop outreach and marketing efforts to maximize awareness of affordable housing opportunities in East King County and build partnerships with diverse community organizations.

V. ADMINISTRATION

A. Administrative Procedures

Maintain administrative procedures that efficiently and transparently provide services to both members of ARCH and community organizations utilizing programs administered through ARCH. Activities include:

- Prepare the Annual Budget and Work Program and ensure equitable allocation of administrative costs among ARCH members.
- Prepare quarterly budget and work program progress reports, Trust Fund reports, and monitor expenses to stay within budget.
- Manage the ARCH Community Advisory Board, including recruiting and maintaining membership that includes broad geographic representation and a wide range of housing and community perspectives.
- Staff the Executive Board.
- Work with Administering Agency to streamline financial systems.
- Review and update bylaws and ensure timely renewal of the ARCH Interlocal Agreement.

B. Organizational Assessment and Planning

The ARCH Executive Board will continue to evaluate ARCH's organizational capacity to accomplish its Work Program and broader mission. The Board will review ARCH's organizational structure, staffing resources, capital resources and other foundational aspects of the organization to determine any gaps and assess options for expanding organizational capacity. The assessment will inform recommendations for the following year's work program and budget. In 2024, this will include implementing actions and recommendations from ARCH's strategic planning process.

*Attachment A
Local Planning Efforts by City*

ARCH staff will assist members' staff, planning commissions, and elected councils with local policy, planning and special projects and initiatives, as described below. Member city staff may make adjustments to the proposed actions identified below as individual city work plans are updated.

Bellevue

Support 3-4 actions to implement Bellevue's Affordable Housing Strategy, such as:

- Assist staff with preparation of educational and marketing materials to encourage affordable housing on suitable land owned by public agencies, faith-based groups, and non-profits housing entities. Tasks could include connecting property owners with non-profit developers and consultants, providing case studies, and other information related to the development process.
- Analysis of affordable housing recommendations in the Wilburton neighborhood plan, Comprehensive Plan Periodic Update, and Next Right Work increased residential FAR for specific areas (TBD) in the city.
- Participate in developer selection processes and work with staff to develop funding strategy for affordable housing on suitable public lands in proximity to transit hubs, including 130th TOD parcels, Metro (Civic Center site), and Lincoln Center parcel.
- Provide consultation on a comprehensive acquisition strategy, such as preservation of existing, naturally occurring affordable housing, setting up a community land trust, and an expanded homeownership program.

Provide ongoing support to implement investment of funds authorized by HB 1590, or other city funds as directed.

Implement newly authorized affordable housing incentives; develop boilerplate agreements and procedures for ongoing monitoring.

Assist the city with implementation of affordable housing agreements at the TOD project adjacent to Sound Transit's Operations and Maintenance Facility East (OMFE).

Bothell

Support actions to implement the city's Housing Strategy Plan.

Support affordable housing opportunities, especially in the Downtown/Canyon Park areas, including production strategies for city-owned property.

Help to identify potential Bothell Trust Fund projects.

Evaluate affordable housing incentives and requirements such as parking reductions or other development incentives, code amendments that add capacity and rezones, and implement those adopted.

Assist with compliance with new requirements under HB 1220.

Support updates to policies and codes for affordable housing options, including ADUs, micro-housing, small efficiency dwelling units, and "missing middle" housing.

Help pursue funding and implement further outreach, equity, and implementation measures to encourage more middle housing and address potential displacement.

Issaquah

Provide data for the annual Housing Report Card.

Assist with implementation of Strategies 6, 7 and 8 of the Housing Strategy Work Plan expanding inclusionary zoning, increasing missing middle as permitted uses, and removing barriers to the construction of condominiums.

Provide research and assist with development of potential code amendments concerning:

- Inclusionary zoning (in conjunction with changes to density, parking, and other regulations) and multifamily tax exemptions.
- Middle housing and ADUs in wake of new state legislation.

Help to evaluate potential projects/opportunities that arise under current or amended Development Agreements (e.g., Lakeside, Rowley) and prepare contractual agreements as needed.

Help to evaluate potential pioneer development in Central Issaquah District.

Provide data and other information needed for new page on city's website, information on affordable housing opportunities and resources in Issaquah.

Support implementation and funding of the city's TOD project with the King County Housing Authority.

Kenmore

Assist with implementing a high priority item identified in the Housing Strategy Plan, as requested.

Continue support of the Preservation of Affordable Housing/Mobile Home Park project started in 2018.

Assist with the Comprehensive Plan Housing Element update, including help with new affordable housing targets.

Provide technical support, data, and best practices to assist with potential code changes, such as for "missing middle" housing.

Advance opportunities to site affordable housing in Kenmore, such as near ST3 transit investments, or on other public, nonprofit, and faith-based community property. Help evaluate and identify potential properties, partners, and financing strategies.

Evaluate potential expansion of TOD overlay and refinement of affordable housing requirements in the overlay zone.

Kirkland

Support development of housing policies in connection with the I-405/NE 85th Street Station Area Plan, such as evaluation of a commercial linkage fee, and inclusionary housing requirements, and incentivizing family-sized housing units.

Assist with implementing programs to encourage construction of more ADUs and other middle housing.

Evaluate housing-related issues in 2044 Comprehensive Plan Update.

Help review the effectiveness and value of the current MFTE program.

Assist with updating the City's Housing Dashboard and ongoing implementation and monitoring of the adopted Affordable Housing Targets.

Assist the City in its potential expansion of the inclusionary zoning program through new incentives for areas like downtown that don't have a requirement and expanded incentives for more affordable housing in other areas of the City.

Assist the City with its reevaluation of parking standards as they relate to affordable housing.

Mercer Island

Assist the City with synthesizing the Housing Needs Analysis findings with housing-related requirements under the Countywide Planning Policies and the Growth Management Act to develop updated housing goals and policies for the city's comprehensive plan periodic update.

Provide input and assistance in drafting updated development regulations related to implementation of housing diversity and affordability provisions in HB 1220 (2022) and HB 1110 (2023).

Newcastle

Assist with potential investment of fee-in-lieu payments, first exploring opportunities to site affordable housing within Newcastle.

Assist with updating the City's Housing Strategy Plan.

Redmond

Provide advice and technical support to evaluate and refine existing inclusionary and incentive programs, and impact fee waiver provisions, focusing on Downtown and Marymoor centers.

Support partnerships with transit agencies to advance affordable housing within transit-oriented developments, including at Overlake and Southeast Redmond.

Help city staff write and propose comprehensive plan and code amendments for meeting existing and future housing needs, including residential zone consolidation and regulations.

Assist with potential strategies for increasing housing capacity from commercial development, such as housing over big box stores and commercial spaces in mixed-use buildings.

Sammamish

Partner with city staff to refine the Housing Action Plan/Housing Diversification Toolkit implementation plan by creating detailed work plans and identifying related budget needs.

Support city staff in responding to public inquiries related to affordable housing development.

Review development regulation updates and additions related to affordability requirements and incentives to ensure alignment with state, regional, and county policies, the Comprehensive Plan update, the Housing Action Plan/Housing Diversification Toolkit, and best practices.

Review and confirm the assumptions and approach used by the city in the Barrier Review Checklists provided in the Washington State Department of Commerce’s Guidance for Making Adequate Provision to Meet all Housing Needs to assist the City in preparing for successful Comprehensive Plan certification.

Woodinville

Assist in evaluating options and developing proposals for programs and code amendments following the city’s new Housing Action Plan.

King County

Provide monitoring and stewardship services for affordable housing in the Northridge/Blakely Ridge and Redmond Ridge Phase II affordable housing development agreements.

Partner with King County to preserve affordable homes with expiring covenants in unincorporated areas.

Help advance the King County Regional Affordable Housing Task Force Action Plan.

ITEM 5B: Community Advisory Board Appointments

Appointment of new Community Advisory Board members

Background

The ARCH Interlocal Agreement establishes a Community Advisory Board (CAB) to “provide advice and recommendation to the Executive Board on land and/or money resource allocation for affordable housing projects and to provide public relations and educational outreach services.” The ILA calls for the Executive Board to appoint between twelve and fifteen members to the CAB, each of whom serve for up to two four-year terms. Members must have knowledge and understanding of affordable housing, and be committed to the furtherance of affordable housing on the Eastside.

Consistent with a recent amendment to the ILA, the Executive Board may appoint up to four additional members if desired to enhance the diversity and breadth of skills and experience on the Board. These temporary appointments are intended to become permanent as other board members retire or resign, eventually bringing the size of the Board back to between twelve and fifteen members.

Current Vacancies and Applicants

The last appointments to CAB were approved by the Executive Board in 2022, which brought the size of the CAB up to thirteen members. Three members have resigned since then, requiring appointment of two to five new members in order to bring the membership to between twelve and fifteen. Current CAB members are shown in **Attachment 1**.

ARCH received a total of twelve applications, a copy of which was previously provided to the Board for review.

Name	City of Residence	City of Employment	Occupation/Background
Corey Brewer	Kirkland	Bellevue	VP of Property Management
David Plummer	Bellevue	Retired	Retired, engineer
Heather Sanchez	Duvall	Bellevue	Bellevue School District
Jeff Ginsberg	Bellevue	Bellevue	VP of Asset Management, Shelter Resources
Jennifer Berry	Bellevue	Seattle	Employment law attorney, Ogden Murphy Wallace
Jennifer Niedo	Bellevue	Bellevue	Self Employed / Tax consultant
Justin Robbins	Kirkland	Kirkland	Real Estate Broker
Lawrence Gockel	Bellevue	Bellevue	Mortgage lending/former DASH Board member
Rawan Kilani	Bellevue	Bellevue	Behavioral therapist/Resident of affordable housing
Rick Chesmore	Bellevue	Bellevue	Architect
Robert Lindsey Miller	Bellevue	Bellevue	Events assistant with City of Bellevue / Property Management
Sarah Gustafson	Bothell	Bellevue	Accountant, Bothell Planning Commissioner

At the May meeting, the Board will have the opportunity to discuss the slate of candidates and learn additional information about their interests and backgrounds gathered in interviews conducted by ARCH staff and the CAB Chair and Vice Chair.

Staff Recommendation

Staff recommend that the Executive Board discuss and approve between 2 to 5 applicants to be appointed as regular members on the CAB.

Attachments

1. ARCH Community Advisory Board Current Membership (June 2023)

ARCH Community Advisory Board Current Membership (June 2023)

Name	Term	Term Expiration	City of Employment	City of Residence	Occupation/Background
Kristin Joyner	Second	Sept. 2024	Bothell	Bothell	Deacon/Faith Leader
Lucia Pirzio-Biroli	Second	Feb. 2026	Mercer Island	Mercer Island	Architect
Patricia Bloor	Second	April 2027	Retired	Issaquah	Former Insurance Analyst - Retired
Olga Perelman <i>(Chair)</i>	Second	April 2027	Redmond	Bellevue	Procurement/Contract Negotiations
Steve Loper	First	Sept. 2025	Retired	Issaquah	Design/Construction, Project Management
Aaron Jacobson <i>(Vice Chair)</i>	First	Sept. 2025	Redmond	Kirkland	Software Engineer
Dean Williams	First	Sept. 2025	Bellevue	Bellevue	Land Use Attorney
Jen Boone	First	March 2026	Kirkland	Seattle	Human Services
James Lauinger	First	March 2026	Retired	Bellevue	Former Kirkland Mayor, Planning Commissioner
Maurice Drayton	First	March 2026	Seattle	Mercer Island	Attorney (specialty in affordable housing)

*Background information as of the time of application

ITEM 5C: 2023 Housing Trust Fund Availability and Priorities

Review of available funding and approval of 2023 Housing Trust Fund Priorities

Background

In mid-June, ARCH will be announcing the 2023 Housing Trust Fund round, in coordination with other statewide public funders. This announcement includes publication of common application forms, a description of available funds and funding priorities.

Available Funds

ARCH has received the following information from member cities regarding planned contributions for 2023. An estimated total of \$3.6 million will be advertised. ARCH expects a few cities' balances will decline following a loan reconciliation process with City of Bellevue (totaling about \$139k), but this should largely be offset by loan repayments and interest earnings later in the year. Note that this amount also excludes this year's roughly \$500k 2023 CDBG allocation, since the Board approved an early award of these funds for the Kirkland Heights project.

	Estimated Remaining 2022 Balances	2023 Planned Contributions			Total Estimated 2023 Funding
		General Fund	Fee in Lieu	HB 1406 sales tax (2022 revenues)	
Bellevue	\$152,488	\$550,000		\$650,000	\$1,352,488
Bothell	\$13,306	\$0		\$117,778	\$131,084
Clyde Hill	\$3,274	\$10,965		\$7,035	\$21,274
Hunts Point	\$699	\$8,100		N/A – didn't adopt	\$8,799
Issaquah	\$29,032	\$175,000		TBD	\$204,032
Kenmore	\$9,629	\$38,048		\$23,952	\$71,629
Kirkland	\$147,258	\$415,000	TBD	N/A – rental assistance	\$562,258
Medina	\$3,202	\$10,021		\$11,135	\$24,358
Mercer Island	\$11,128	\$35,000		N/A – rental assistance	\$46,128
Newcastle	\$15,373			to be made available in 2024	\$15,373
Redmond	\$113,118	\$500,000		\$323,076	\$936,194
Sammamish	\$21,713	\$100,000		\$55,084	\$176,798
Woodinville	\$13,693	\$48,827		\$66,173	\$128,693
Yarrow Point	\$1,339	\$6,516		\$354	\$8,210
Total	\$535,253	\$1,897,477		\$1,254,588	\$3,687,317

As shown above, most ARCH members have been collecting sales tax revenues authorized by HB 1406, which makes a portion of the state's sales tax available to cities for the purpose of acquiring, rehabilitating, or constructing affordable housing for persons with incomes at or below 60% AMI (or providing rental assistance, for smaller cities). Starting last year, ARCH has identified projects to allocate these funds to, and will be partnering with members to ensure compliance with state reporting requirements.

As reported in May, ARCH expects applications that will be requesting well in excess of the estimated \$3.6 million available this year. Separate from funds above that are earmarked for the Trust Fund, ARCH staff will continue to work directly with individual members on identifying other city funds to meet funding requests that exceed ARCH's available resources.

Funding Priorities

Each year, staff ask the Board for guidance on published funding priorities to guide the annual funding round. The proposed priorities shown below carry forward our priorities from past years, including recent additions such as the timely delivery of housing. The broad nature of the priorities have over time promoted projects that achieve a diverse mix of populations, locations, and affordability levels and stretch local dollars to maximize their impact.

- **Target Populations.** The Housing Trust Fund is targeted to the populations described in the section above. Senior and special needs housing are long-term priorities, particularly when sponsors have identified funds for ongoing operations and supportive services for the intended residents.
- **Leveraging Private Investment.** ARCH encourages project sponsors to pursue private investment that provides maximum leverage of local resources. Use of the Low Income Housing Tax Credit and tax exempt bond programs are highly encouraged, together with other creative financing structures.
- **Transit-Oriented Development.** Multifamily projects, especially those near transit centers or high frequency transit are encouraged. A number of ARCH cities have adopted local plans and policies to support residential density near current and planned transit infrastructure. TOD development is designed to support dense, walkable communities that increase access to employment, services and other opportunities.
- **Homeless Shelter and Housing Capacity.** ARCH encourages projects that ensure shelter capacity is available on the Eastside for homeless families, single adults, and youth. ARCH also encourages proposals that provide housing for individuals and families seeking to move out of homelessness into stable, permanent housing, particularly from experienced providers with a track record of thoughtfully and successfully integrating housing projects into the fabric of existing communities.

Providers considering such proposals should work with ARCH and King County to ensure that adequate funding for operations and supportive services is available.

- **Preservation.** Projects that preserve housing at risk of conversion to market-rate are a high priority, particularly when existing low-income residents are likely to be displaced. Preservation projects will be particularly competitive when they can demonstrate an efficient use of resources relative to new construction projects. ARCH will accept applications at any time for such projects and will work to expedite the review process when there is a demonstrated urgency.
- **Geographic Equity.** The Housing Trust Fund has a long-term objective of producing housing across ARCH member city jurisdictions. ARCH looks to create broad distribution in the location of all types of affordable housing over time to maximize choice for individuals and families seeking affordable homes. A map of existing Housing Trust Fund projects is available on the ARCH [website](#).
- **Racial Equity.** ARCH encourages proposals that advance racial equity through strategies that intentionally dismantle the racially disparate impacts of our current housing system. For example, such strategies may include, but are not limited to: preserving existing communities at risk of displacement, including manufactured housing communities; increasing opportunities for very low-income households to access historically exclusive neighborhoods; creating meaningful project partnerships that give voice and ownership to residents and communities of color; affirmatively marketing new housing opportunities to communities less likely to access opportunities in East King County; and addressing historic inequities in access to homeownership.
- **Cost-Effective Development Approaches.** ARCH encourages project sponsors to propose cost-effective approaches to development that will minimize requests to the Housing Trust Fund. This includes approaches such as utilizing free or discounted property, utilizing in-kind support, redeveloping underutilized property already owned by the sponsor, working with cities to minimize structured parking by demonstrating reduced demand, and creating small/efficient unit layouts (e.g., SROs, co-housing, etc.) that still meet the needs of the proposed population.
- **Timely Delivery of Housing.** ARCH will prioritize projects that can demonstrate the ability to advance quickly through the development and entitlement process, execute on financing commitments and deliver housing as rapidly as possible. Staff will evaluate a project's readiness, sponsor track record and organizational commitment to timely delivery.

In addition to these priorities, some members of the Community Advisory Board (CAB) requested the Executive Board consider an additional priority on environmental sustainability. CAB members did not reach a consensus as a group on any specific proposal, and some members expressed concern about implying any standards above state and local

codes. The following language was contributed by the CAB Chair for the Board's consideration:

- **Innovative Sustainable & Environmentally Friendly Solutions.** ARCH encourages project sponsors to design with environmental sustainability in mind. While leveraging state and city codes as a baseline, projects are highly encouraged to find ways to reduce carbon footprint during construction and operations. Amenities and materials that meet residents' needs, promote long-term durability and reduce operating costs are encouraged.

Given other priorities to promote cost effectiveness and maximize affordable housing with finite resources, it will be important to hear guidance from the Board on how to balance this value with other program objectives, particularly in a year in which requests will likely far outstrip available funding.

Staff Recommendation

Staff recommend that the Executive Board approve the draft funding priorities above and discuss how and whether to incorporate additional language on environmental sustainability, or other priorities as a part of the 2023 funding round.

ITEM 5D: ARCH Fourth Quarter 2022 Report

Submission of ARCH Fourth Quarter 2022 Report

Background

The ARCH Interlocal Agreement requires the submission of “quarterly budget performance and progress reports on the status of the work program elements to the Executive Board and the governing body of each Party.”

Highlights from the fourth quarter of 2022 include:

- ARCH was able to increase overall reserves by the end of the year. A total of \$192,545 will be available in 2023, giving the Board greater capacity to utilize funds for important one-time needs. Fee revenue dipped from 2021, however, and the slowdown in the market may indicate that projections for 2024 will not be met.
- The Community Advisory Board and Executive Board approved recommendations for \$7.6 million in funding for an incredible set of projects serving diverse populations at a range of income levels.
- 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.
- Rental Program staff conducted 11 property audits and reviewed 90-day compliance reports from five new properties.
- The Homeownership Program saw a total of 90 sales during 2022, similar to recent years, but with more sales made up of new construction homes compared to resales than in past years.
- Year to date, a total of 4,272 new households seeking affordable housing signed up for the ARCH mailing list.

Staff Recommendation

N/A

Attachments

1. ARCH Quarterly Report for the Executive Board (Fourth Quarter 2022)

A REGIONAL COALITION FOR HOUSING

QUARTERLY REPORT

FOR THE

ARCH EXECUTIVE BOARD

Fourth 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

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:

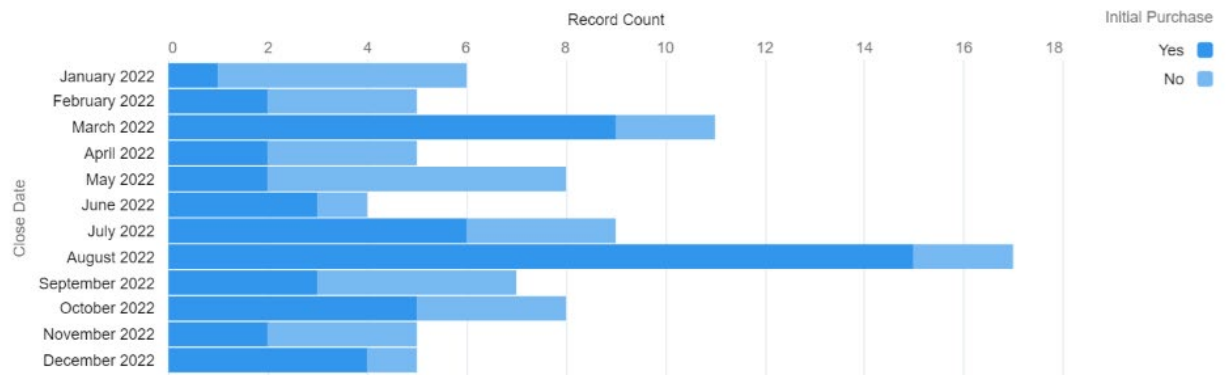
- Conducted property manager/leasing staff trainings and reviewed 90-day Compliance Reports for five new rental projects
- Performed 11 cyclical audits on existing projects, identified any compliance issues, and worked with staff to make necessary corrections.
- Updated Renter Resources page on the ARCH 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

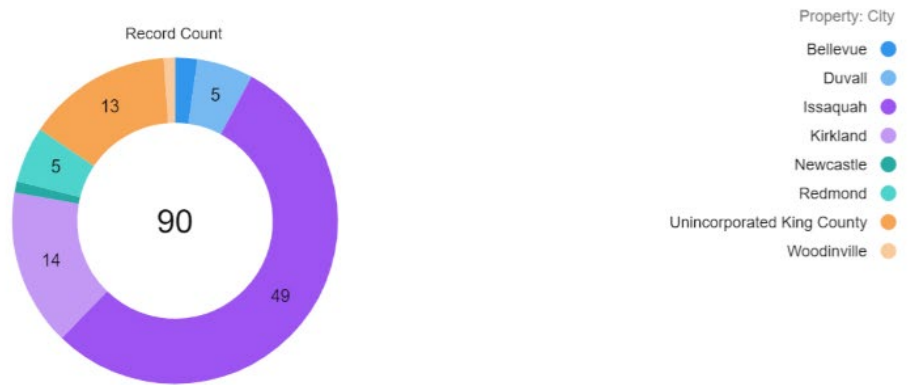


Table 2. Quarterly Affordable Housing Activity in Land Use and MFTE Programs

	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

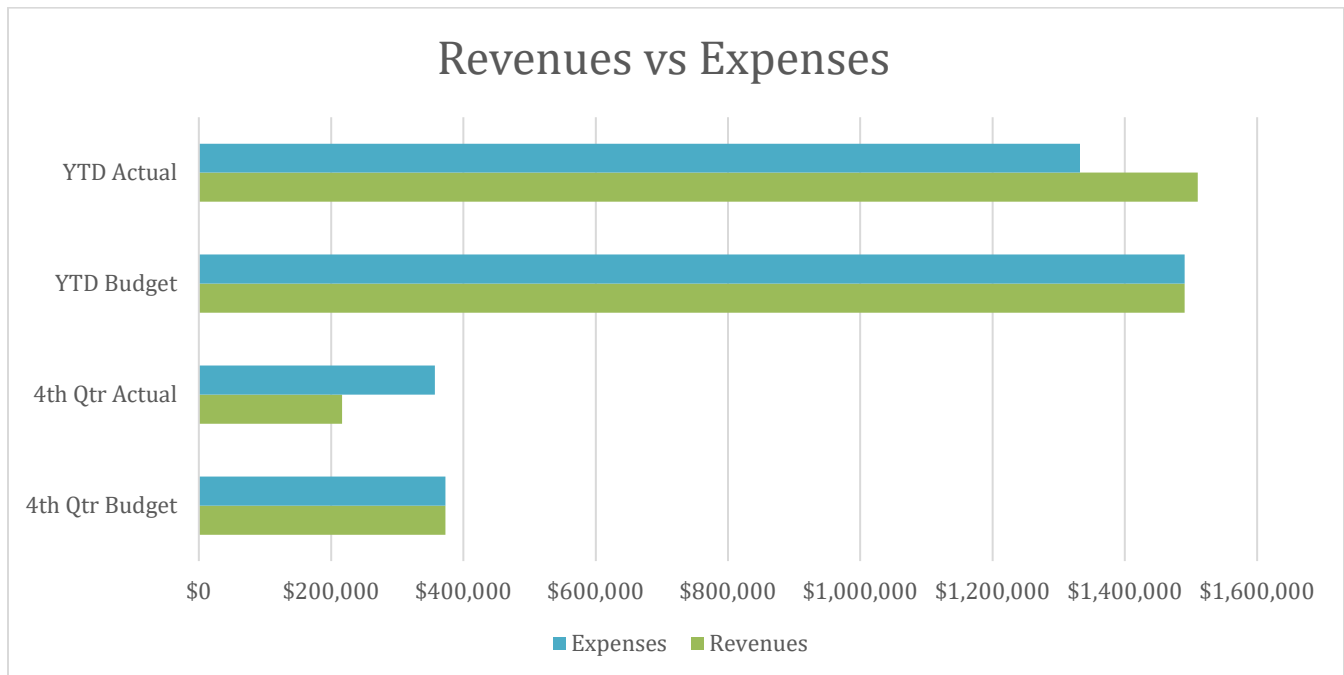
ARCH began the fourth quarter with a cash balance of \$1,057,330 and finished the year with a balance of \$917,294.

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