

CITY COUNCIL STUDY SESSION

Discussion of the A Regional Coalition for Housing (ARCH) 2019 Administrative Budget and Work Program as recommended by the ARCH Executive Board.

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Community Development

DIRECTION NEEDED FROM COUNCIL

DIRECTION	No action is requested tonight. With Council direction, staff will prepare legislation to approve the ARCH 2019 budget and work program at a future meeting.
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RECOMMENDATION

Pursuant to the ARCH Interlocal Agreement that each year all ARCH member councils review and approve ARCH's budget and work program, provide direction to staff to prepare legislation approving the ARCH 2019 Administrative Budget and Work Program.

BACKGROUND & ANALYSIS

2019 ARCH Administrative Budget

Consistent with the ARCH Interlocal Agreement, each year the ARCH budget and work program comes before all ARCH member councils for approval. The attached budget and work program has been reviewed and recommended by the ARCH Executive Board.

ARCH's 2019 proposed Administrative Budget (Attachment A) of \$724,400 is 3.59 percent (\$25,076) over the 2018 budget primarily due to increased cost of staff salary (based on Bellevue's approved Cost of Living Adjustment) and benefits. Bellevue's share of the ARCH Administrative Budget of \$185,904 is through an in-kind contribution of staff, the ARCH Executive Manager position, and a cash contribution for administrative costs. This represents a \$6,373 (3.55 percent) increase from 2018 and represents approximately 25.6 percent of the overall ARCH budget. Bellevue's contribution is accounted for in the 2019-2020 Community Development Department General Fund budget.

2019 ARCH Work Program

The ARCH Work Program describes the ARCH Executive Board's recommended work activities for 2019 (Attachment B). The Work Program identified five key objectives that ARCH will prioritize in 2019, including:

- Strengthen program administration and monitoring functions
- Coordinate and facilitate transit-oriented development projects on public land
- Develop proposals for dedicated revenue sources for affordable housing
- Pursue strategies to increase access to housing by underserved communities

To accelerate the work of strengthening program administration and monitoring functions, in December the ARCH Executive Board authorized up to \$35,000 in ARCH reserve funds to obtain consultant services for a comprehensive homeownership program review. This review will include an audit of all ownership units administered by ARCH, as well as development of recommended changes to policies and procedures.

The work program also includes these items of special interest to Bellevue:

Assist City with implementation of Phase One tasks of Bellevue's Affordable Housing Strategy, including:

- Increase development potential on suitable land owned by public agencies, faith-based groups, and non-profits housing entities.
- Assist with items for Wilburton and East Main planning initiatives, including affordable housing density incentives.
- Assist Bellevue's efforts to develop affordable housing on suitable public lands in proximity to transit hubs including 130th Transit-Oriented Development (TOD) parcels and TOD parcels at the Operations and Maintenance Facility: Eastside (OMFE).
- Advocate for legislative actions that expand state and local funding tools and other opportunities to increase affordable housing.

Assist City staff with contracting and administration for the City's land use incentive program and Citywide Multifamily Tax Exemption program.

Assist in Neighborhood Planning to consider more affordable housing types on a neighborhood-by-neighborhood basis, such as small lot neighborhood infill and detached accessory dwelling units.

In addition, work items of benefit to all member jurisdictions include:

- Long-Term Funding/Dedicated Revenue Strategy. Continue work on a long-term funding strategy for the ARCH Trust Fund. Work toward implementing the revised Parity Goals established in 2018, including setting an aspirational goal. In addition, 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, 0.1 percent sales tax, etc.). Provide relevant data and develop options for joint or individual revenue approaches across ARCH member cities and determine any shared state legislative priorities to authorize local options for funding.
- Transit Center Sites. Assist cities with advancing and coordinating projects seeking King County TOD funds and work with Sound Transit and King County Housing staff to develop opportunities for affordable housing along transit corridors. Current opportunities include sites in Bel-Red, Overlake, Downtown Redmond, Issaquah, Kirkland, Bothell, and Kenmore.
- Surplus Property/Underdeveloped Property. Assist as needed member cities' evaluation of potentially surplus public property or underutilized private property (e.g. faith community properties) for suitability of affordable housing.
- Winter Shelter. Support efforts by Eastside shelter providers, Human Services Forum, and cities to develop an East King County sub-regional strategic approach to shelter and related services for homeless adults and families. For the women/family shelter, efforts are expected to focus

around finalizing design documents, permitting and start of construction.

- Preservation of At Risk Affordable Housing. 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. Work with member cities to facilitate acquisitions or other strategies to preserve existing housing where affordability is at risk of being lost.

POLICY & FISCAL IMPACTS

Policy Impact

Interlocal Agreement: The ARCH Interlocal Agreement provides that each year each member city's city council must review and approve ARCH's Budget and Work Program.

Comprehensive Plan: Continued support of ARCH is consistent with Comprehensive Plan policy HO-22 to promote regional cooperation to create affordable housing.

Fiscal Impact

In the 2019 ARCH Administrative Budget, Bellevue's contribution of \$185,904 is met through an in-kind contribution of staff and a cash contribution for administrative costs. Bellevue's contribution was appropriated as part of the adopted 2019-2020 Community Development General Fund budget. Bellevue's contribution has increased 3.55 percent from 2018.

OPTIONS

1. Pursuant to the ARCH Interlocal Agreement stipulation that each year all ARCH member councils review and approve ARCH's budget and work program, direct staff to prepare legislation approving the ARCH 2019 Administrative Budget and Work Program.
2. Do not approve ARCH's budget and work program and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. ARCH proposed 2019 Administrative Budget
- B. ARCH proposed 2019 Work Program

AVAILABLE IN COUNCIL LIBRARY

N/A