

**CITY COUNCIL STUDY SESSION**

Discussion of the A Regional Coalition for Housing (ARCH) 2021 Administrative Budget and Work Program as recommended by the ARCH Executive Board.

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*Community Development Department*

**DIRECTION NEEDED FROM COUNCIL****DIRECTION**

Based on Council direction, staff will prepare legislation approving the ARCH 2022 budget and work program for action at a future meeting.

**RECOMMENDATION**

Direct staff to prepare legislation approving on consent the ARCH 2022 Administrative Budget and Work Program consistent with and pursuant to the ARCH Interlocal Agreement requirement that each year all ARCH member councils review and approve ARCH's budget and work program.

**BACKGROUND & ANALYSIS****ARCH Executive Manager Memorandum**

Attachment A is a Memorandum from ARCH Executive Manager Lindsay Masters, forwarding the ARCH 2022 Budget and Work Program approved by a unanimous vote of the ARCH Executive Board on June 10, 2021. Also included are the recommended 2022 Administrative Budget (Attachment A1) and recommended 2022 Work Program (Attachment A2).

The proposed 2022 Administrative Budget and Work Program priority objectives are briefly described below.

**2022 ARCH Administrative Budget**

ARCH's 2022 proposed Administrative Budget of \$1,490,462 represents a 29 percent (\$335,201) increase over the 2021 budget and reflects the following:

- Two new staff positions are included to address gaps in current staff capacity which will focus on administration of local incentive programs, monitoring the expanding portfolio of Housing Trust Fund investments, and assisting with administration of a new funding sources, including new affordable housing sales tax resources.
  - Revenue from new administrative fees are used to free up funds for one new position.
  - A new tier of member dues is created to cover the second new position. The dues are allocated to the member cities that utilize ARCH for incentive program administration.
- ARCH Executive Board members agreed a third new staff position is warranted, but given current fiscal constraints, this position will not be included in ARCH's budget until 2023.

- King County will contribute an additional \$50,000 in dues intended to support activities that advance the Regional Affordable Housing Task Force Action Plan.
- The Board will continue to evaluate ARCH's monitoring and stewardship workload to ensure sufficient staff capacity to keep up with growth.

Bellevue's share of the ARCH 2022 Administrative Budget is \$344,457. This amount is divided between an in-kind contribution for personnel (Executive Manager position), insurance and information technology (IT) services totaling \$203,103, and a cash contribution for administrative costs totaling \$141,353. This total represents a 22 percent increase from 2021 and 23 percent of the overall ARCH budget. Bellevue's share of the ARCH administrative budget is appropriated within the General Fund.

### **2022 ARCH Work Program**

The ARCH Work Program describes the ARCH Executive Board's recommended work activities for 2022. Priorities include:

- Provide a housing needs analysis for all member cities in support of Comprehensive Plan periodic updates mandated for jurisdictions planning under the Growth Management Act (GMA);
- Report on measurable goals for production and preservation of affordable housing in the ARCH region;
- Continue to support proposals for dedicated revenue sources for affordable housing;
- Expand ARCH's capacity to accomplish its broader mission;
- Continue to provide excellent stewardship of affordable housing assets, and develop new compliance tools to meet evolving program, property and tenant needs;
- Seek opportunities to advance projects and programs with high potential impact and facilitate projects in the pipeline to the greatest extent possible; and
- Develop a strategic planning process to guide the ARCH coalition into 2023 and beyond.

ARCH's work program includes a variety of work to assist Bellevue staff implementing actions in Bellevue's Affordable Housing Strategy, including policy and planning support, administration of affordable housing incentives and funding initiatives, and long-term monitoring and stewardship of affordable rental and homeownership housing with City covenants.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

Comprehensive Plan: Continued support of ARCH is consistent with the following Comprehensive Plan Housing Element policies:

HO-22: Promote regional cooperation to create affordable housing.

HO-25: Work with ARCH to assess housing fund guidelines on a regular basis to ensure they are consistent with changing community needs and priorities.

HO-26: Work in partnership with not-for-profit and for-profit developers and agencies to build permanent low- and moderate-income housing.

### **Fiscal Impact**

Bellevue's share of the ARCH 2022 Administrative Budget is \$344,457. This amount is divided between an in-kind contribution for personnel (Executive Manager position), insurance and IT services totaling \$203,103, and a cash contribution for administrative costs totaling \$141,353. Bellevue's share of ARCH's Administrative Budget is included in the City's operating budget. If any appropriation adjustment is needed for 2022, staff will bring it forward under a separate action.

### **OPTIONS**

1. Direct staff to prepare legislation approving on consent the ARCH 2022 Administrative Budget and Work Program consistent with and pursuant to the ARCH Interlocal Agreement requirement that each year all ARCH member councils review and approve ARCH's budget and work program.
2. Provide alternate direction to staff.

### **ATTACHMENTS & AVAILABLE DOCUMENTS**

A. ARCH Executive Manager Memorandum dated September 7, 2021 that includes:

- A1. 2022 ARCH Administrative Budget
- A2. 2022 ARCH Work Program
- A3. Analysis of ARCH Staff Capacity and Options for Meeting Members Affordable Housing Needs (Cedar River Group, September 2021)

### **AVAILABLE IN COUNCIL LIBRARY**

N/A