



A Regional Coalition for Housing

***2022 Administrative Budget
and Work Program***

Bellevue City Council

September 20, 2021

The logo for AR CH is displayed vertically on the left side of the slide. It consists of the letters 'A', 'R', 'C', and 'H' repeated four times. The 'A's are yellow, the 'R's are purple, the 'C' is grey, and the 'H' is green. Each letter contains a photograph of a building. The top 'A' shows a brick building, the middle 'R' shows a modern glass building, and the bottom 'H' shows a multi-story residential building.

AR CH Agenda

- ARCH Consultant Assessment Summary
- 2022 ARCH Administrative Budget
 - Staff positions
 - Dues structure
- 2022 ARCH Work Program
 - Priorities
 - Parity Update

ARCH Assessment

- Purpose
 - Evaluate existing staff capacity and work to inform discussions on expanding membership or services to other communities in north and east King County.
- Approach
 - Interviews with ARCH board and staff, member city staff, for profit and nonprofit developers and other stakeholders
 - Review of trends in work levels and activity



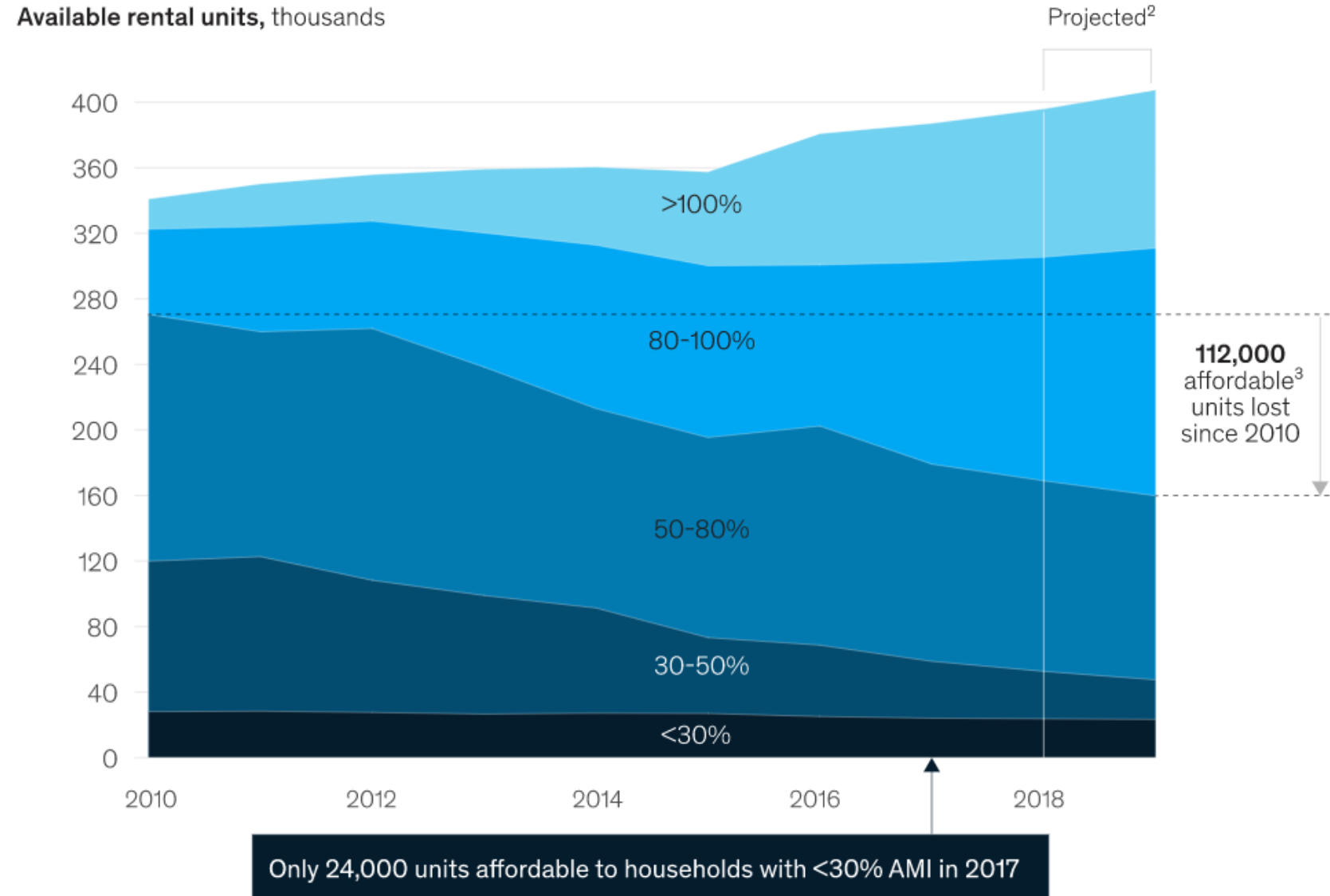
Analysis of ARCH Staff Capacity and
Options for Meeting Members
Affordable Housing Needs

September 2, 2021
Prepared by: Cedar River Group

There is a dramatic need for more housing – specifically affordable housing – and the need is growing.

- Population growth of 12% in King County and job growth of 21% versus 8% growth in housing.
- New jobs and households are disproportionately higher income.
- Another 1.2 million jobs estimated in Puget Sound by 2050
- 124,000 severely cost-burdened households in King County

Rental units in King County by the area median income (AMI) tier¹ that can afford them



ARCH has a proven record of building affordable housing, helping cities implement best policies, and maintaining those assets over time.

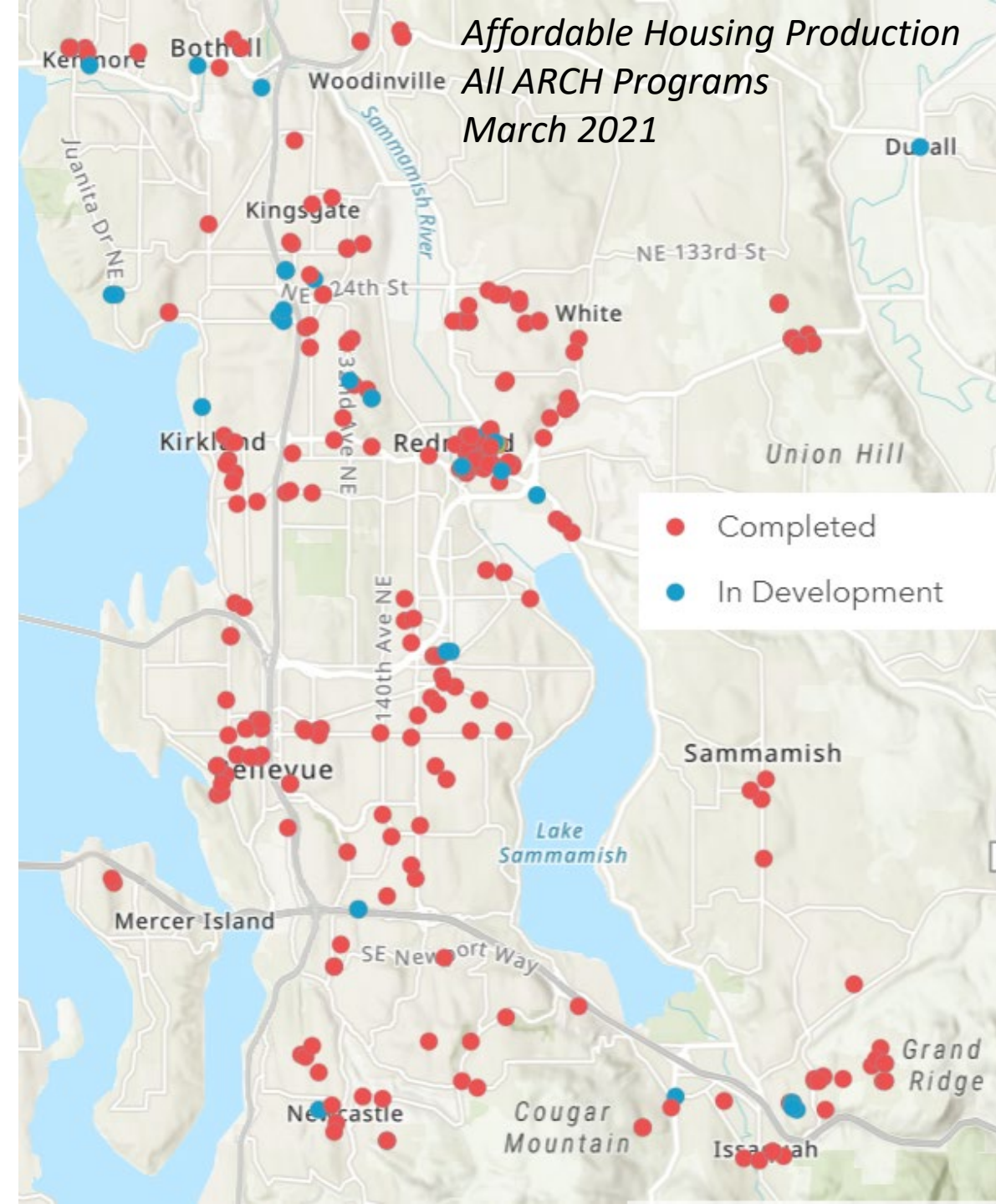
Produced or preserved over 5,000 units with \$80 million in local investment through the Housing Trust Fund, leveraging more than \$880 million in other funding

Assisted ten cities adopt local incentive or inclusionary programs, yielding more than 2,800 affordable units built or in the pipeline

Established monitoring systems and procedures to ensure continued affordability and compliance.

Helped hundreds of low and moderate income households achieve homeownership, creating over \$90 million in appreciation for owners.

Worked on more than 50 policies, plans, code amendments or regulations for cities aimed at creating more housing.



ARCH is well-regarded by member cities, outside stakeholders and developers.

Members and other stakeholders believe ARCH is doing well at administering existing programs, but staff are fully utilized.

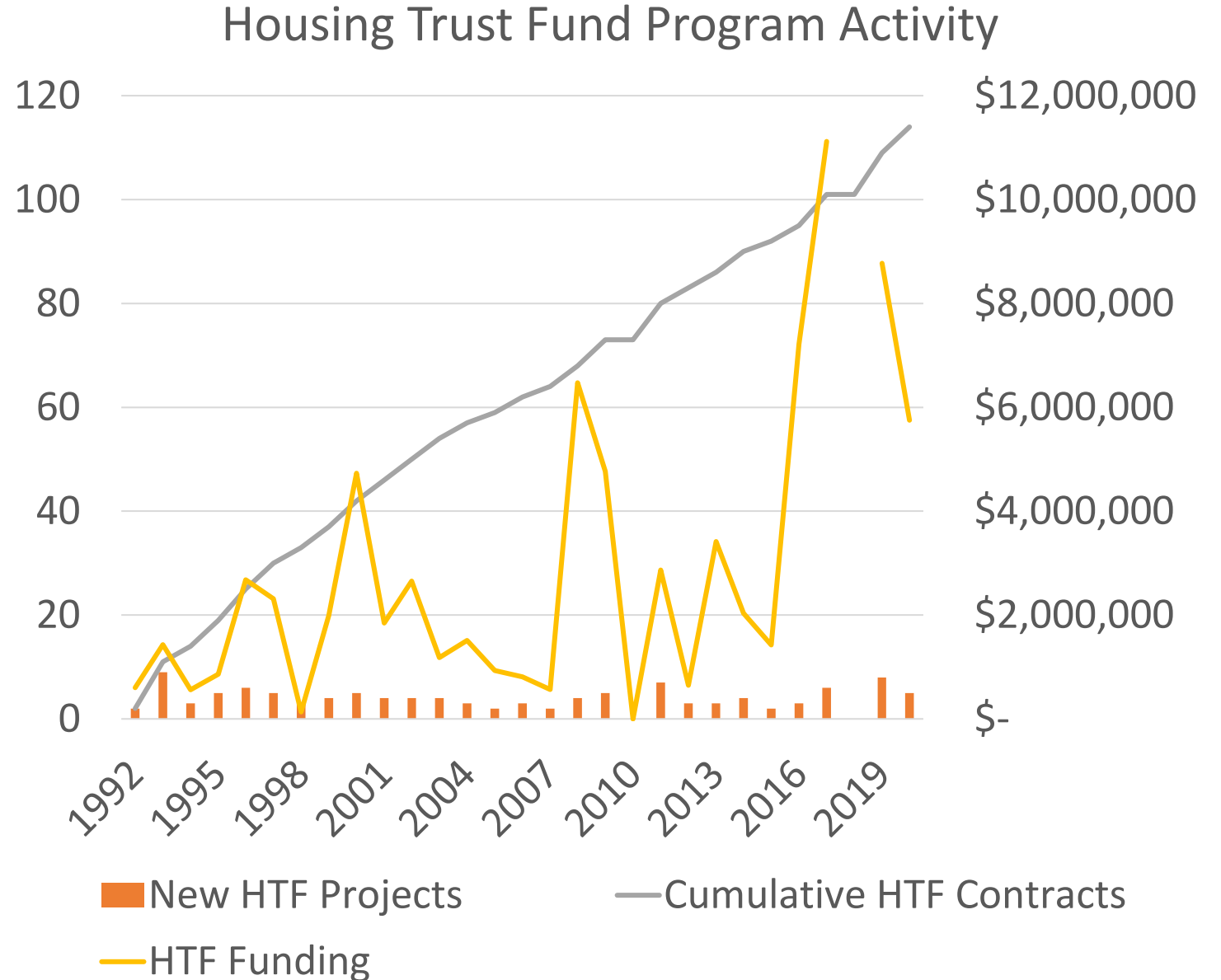
Developers view ARCH as a good partner that helps navigate local processes and work effectively with city staff where projects are located.

ARCH is viewed as an important funder who is comparatively easy to work with and whose initial money helps bring other dollars to projects.

Outside stakeholders believe ARCH should be scaling up its activities to meet the dramatic growth and need for affordable housing in east King County.

Staff capacity has not grown sufficiently to keep up with member's needs and requests.

- 2000:
 - Two cities with incentive programs, none citywide
 - 40 Trust Fund contracts
- 2021:
 - Ten cities with incentive programs
 - Seven cities with local housing strategies
 - Over 100 Trust Fund contracts

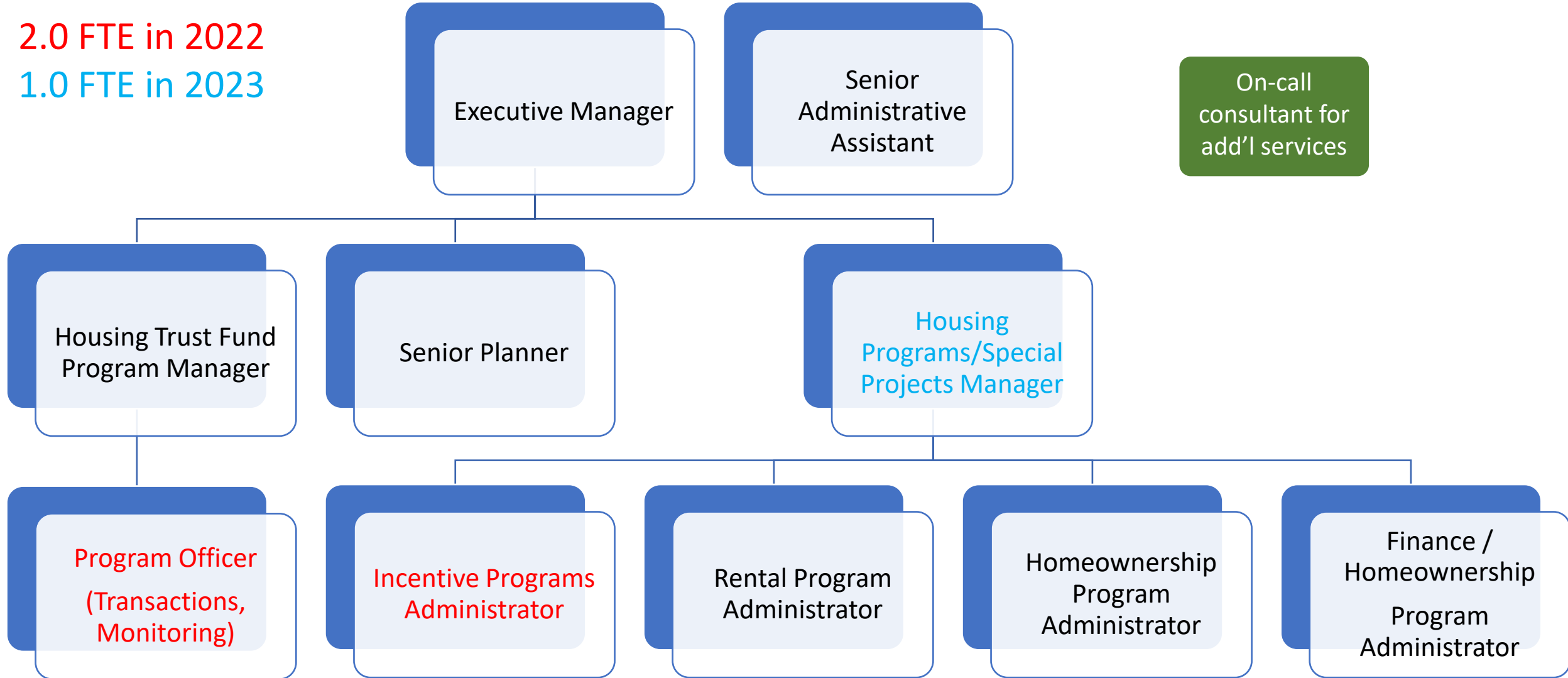


ARCH Executive Board Recommendation:

Address most urgent gaps and plan for growth in next 3-5 years:

2.0 FTE in 2022

1.0 FTE in 2023



2022 Administrative Budget: Structure for New Dues

- New fee revenue frees up dues to pay for 1 FTE
- New tier of member dues pay for 1FTE for incentive program administration:
 - Cities with active incentive programs pay on a per capita basis (Bellevue, Issaquah, Kirkland, Redmond)
 - Cities with less active programs pay a minimum contribution of \$3,000 (Kenmore, Newcastle, Sammamish, Mercer Island)
 - Cities with adopted programs that do not yet have participating projects do not yet contribute additional dues (Bothell, Woodinville).
 - Cities without incentive programs do not contribute additional dues (Beaux Arts, Clyde Hill, Hunts Point, Medina, Yarrow Point).

ARCH Work Program

Affordable Housing Investment

Housing Trust Fund

Special Projects

Policy and Planning

Local Policy, Planning and Code Development

Interlocal/ Eastside Planning

State Legislative

Regional/ Countywide Planning

Incentive Program Administration

Inclusionary Programs

Voluntary Bonus Programs

MFTE Programs

Stewardship of Affordable Housing

Homeownership Program

Rental Program

Outreach and Education

Housing 101 / Education

Assisting the Public with Housing Search

Marketing Affordable Housing

Administration

Executive Board, Citizen Advisory Board

Quarterly Reporting

Administering Agency Coordination

Local Policy, Planning and Code Development

2022 Work Program Priorities

- Provide a housing needs analysis for all member cities in support of Comprehensive Plan Updates
- 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
- Develop a strategic planning process to guide the ARCH coalition into 2023 and beyond



ARCH Work Program Activities in Bellevue

- Administer expanding incentive programs (voluntary density bonus, MFTE, impact fee waivers); monitor and steward affordable rental and ownership homes
- Provide initial and ongoing support to implement investment of funds authorized by HB 1590, or other city funds as directed.
- Support 3-4 actions to implement Bellevue's Affordable Housing Strategy, such as:
 - Facilitate development on affordable housing on suitable land owned by public agencies, faith-based groups, and non-profits housing entities.
 - Analysis of affordable housing density incentives in the Wilburton and East Main neighborhood plans.
 - Developing funding strategy for affordable housing on suitable public lands in proximity to transit hubs including 130th TOD parcels.
- Provide advice on a Housing Needs Assessment, including coordination on scope/methodology, and potentially provide supplemental data.
- Assist City with implementation of affordable housing agreements at the TOD project adjacent to Sound Transit's Operating and Maintenance Facility East (OMFE).

Brio Development
20 units at 80% AMI
Voluntary Land Use

ARCH Trust Fund and Parity Goals

- ARCH members created “Parity” to establish a metric to encourage voluntary local investment in affordable housing through a variety of means (direct funding, land contributions, fee waivers, etc.)
 - Resulted in approximately \$80 million invested, over \$880 million leveraged.
- A total high and low goal for the region is distributed equitably amongst cities based on population, employment and housing targets.
- The totals are based on original goals set in 1998, adjusted for inflation – last year’s goals ranged from \$1.8 million to \$3.8 million.
- Recent investment has far exceeded the goals.

City	2020 Parity Goals		2020 Contributions			2020 Total	2016 - 2020
	Low Goal	High Goal	CDBG	General Fund	Other*		Annual Average
Beaux Arts Village	\$53	\$1,816	\$135			\$135	\$137
Bellevue	\$681,807	\$1,054,164		\$413,213	\$603,718	\$1,016,931	\$1,288,273
Bothell	\$173,394	\$314,235	\$34,983	\$78,000	\$31,845	\$144,828	\$93,616
Clyde Hill	\$0	\$18,431	\$826	\$15,000	\$1,977	\$17,803	\$23,521
Hunts Point	\$0	\$2,542	\$197	\$2,500	\$58	\$2,755	\$2,886
Issaquah	\$170,941	\$348,067	\$23,970	\$65,156	\$2,092	\$91,218	\$142,749
Kenmore	\$53,297	\$179,420	\$19,090	\$40,000	\$26,103	\$85,193	\$72,466
Kirkland	\$343,916	\$528,052	\$139,322	\$415,000	\$3,861,072	\$4,415,394	\$2,309,630
Medina	\$0	\$19,642	\$1,349	\$12,340		\$13,689	\$14,650
Mercer Island	\$17,766	\$146,903	\$14,048	\$33,768		\$47,816	\$79,469
Newcastle	\$13,058	\$75,116	\$6,889	\$27,000		\$33,889	\$59,892
Redmond	\$296,200	\$613,357	\$126,244	\$500,000	\$4,256,672	\$4,882,916	\$2,138,603
Sammamish	\$31,978	\$384,176	\$15,559	\$100,000	\$43,186	\$158,745	\$174,212
Woodinville	\$56,589	\$151,633	\$9,163	\$51,500	\$33,263	\$93,926	\$44,948
Yarrow Point	\$0	\$6,446	\$378			\$378	\$5,063
Total	\$1,839,000	\$3,844,000	\$392,153	\$1,753,477	\$8,859,986	\$11,005,616	\$6,450,115

*Includes Fee in Lieu funds, 1406 sales tax funds, loan repayments, etc.

Parity Update – Look Ahead



Direction Requested

- Direct staff to prepare legislation approving the ARCH 2022 Budget and Work Program on consent.