

City of Redmond



Agenda

Business Meeting

Tuesday, October 19, 2021

7:00 PM

City Hall: 15670 NE 85th Street; Remote: Facebook (@CityofRedmond),
Redmond.gov/rctlive, Comcast Ch. 21, Ziply Ch. 34, or 510-335-7371

City Council

Mayor

Angela Birney

Councilmembers

Tanika Kumar Padhye, President

Jeralee Anderson, Vice-President

David Carson

Steve Fields

Jessica Forsythe

Varisha Khan

Vanessa Kritzer

REDMOND CITY COUNCIL AGENDA SECTION TITLE REFERENCE GUIDE

Items From The Audience provides an opportunity for citizens to address the Council regarding any issue. Speakers must sign their intention to speak on a sheet located at the entrance of the Council Chamber, and limit comments to **four minutes**.

The **Consent Agenda** consists of routine items for which a staff recommendation has been prepared, and which do not require further Council discussion. A council member may ask questions about an item before the vote is taken, or request that an item be removed from the Consent Agenda and placed on the regular agenda for more detailed discussion. A single vote is taken to approve all items remaining on the Consent Agenda.

Public Hearings are held to receive public comment on important issues and/or issues requiring a public hearing by State statute. Citizens wishing to comment will follow the same procedure as for 'Items from the Audience', and may speak after being recognized by the Mayor. After all persons have spoken, the hearing is closed to public comment. The Council then proceeds with its deliberation and decision making.

Staff Reports are made to the Council by the department directors on issues of interest to the Council which do not require Council action.

The **Ombudsperson Report** is made by the Councilmember who is serving as ombudsperson. The ombudsperson designation rotates among Council members on a monthly basis. She/he is charged with assisting citizens to resolve problems with City services. Citizens may reach the ombudsperson by calling the Mayor's office at (425) 556-2101.

The **Council Committees** are created to advise the Council as a whole. They consider, review, and make recommendations to the Council on policy matters in their work programs, as well as issues referred to them by the Council.

Unfinished Business consists of business or subjects returning to the Council for additional discussion or resolution.

New Business consists of subjects which have not previously been considered by Council and which may require discussion and action.

Ordinances are legislative acts or local laws. They are the most permanent and binding form of Council action and may be changed or repealed only by a subsequent ordinance. Ordinances normally become effective five days after they are published in the City's official newspaper.

Resolutions are adopted to express Council policy or to direct certain types of administrative action. A resolution may be changed by adoption of a subsequent resolution.

Quasi-Judicial proceedings are either closed record hearings (each side receiving ten minutes maximum to speak) or public hearings (each speaker allotted four minutes each to speak). Proceedings are those in which the City Council determines the rights or privileges of specific parties (Council Rules of Procedure, Section IV., J).

Executive Sessions - all regular and special meetings of the City Council are open to the public except for executive sessions at which subjects such as national security, property acquisition, contract bid negotiations, personnel issues and litigation are discussed.

Redmond City Council Agendas, Meeting Notices, and Minutes are available on the City's Web Site:

<http://www.redmond.gov/CouncilMeetings>

FOR ASSISTANCE AT COUNCIL MEETINGS FOR THE HEARING OR VISUALLY IMPAIRED:

Please contact the City Clerk's office at (425) 556-2194 one week in advance of the meeting.

PLEASE NOTE: Masks are required for in person attendance at the meeting regardless of vaccination status.

I. SPECIAL ORDERS OF THE DAY

1. PRESENTATION: PSE Preparation and Response During Storm Season
(Renee Zimmerman)

II. ITEMS FROM THE AUDIENCE

In person public comment: Please use the speaker sign up sheet provided at City Hall at the time of the meeting. Masks are required for in person attendance regardless of vaccination status.

Remote public comment: Please contact the Clerk's Office (cityclerk@redmond.gov) by 3 p.m. on the day of the meeting with written comment (500 word limit - please label your comment as "Items from the Audience") or by providing your name and phone number for comment over the phone.

III. CONSENT AGENDA

A. Consent Agenda

1. Approval of the Minutes: October 5, 2021, Regular Business Meeting (Digital recordings of Regular City Council meetings are available for purchase by contacting the City Clerk's Office, and on-demand videos are available online.)

[Regular Meeting Minutes for October 5, 2021](#)

2. Approval of Payroll/Direct Deposit and Claims Checks

[Payroll Check Approval Register, October 8, 2021](#)

[Check Approval Register, October 19, 2021](#)

3. [AM No. 21-153](#) Adoption of an Ordinance for Approval of the Final Plat of Rose Hill West

a. Ordinance No. 3063: An Ordinance of the City of Redmond, Washington, Approving the Final Plat of Rose Hill West Pursuant to RCW 58.17.170 and RZC 21.74.030, and Establishing an Effective Date
(*Planning and Public Works*)

[Attachment A: Ordinance](#)

[Attachment B: Vicinity Map](#)

[Attachment C: Hearing Examiner's Decision](#)

Legislative History

8/10/21 Committee of the Whole - referred to the City Council
Planning and Public Works

4. [AM No. 21-154](#) Affordable Housing and 2022 ARCH (A Regional Coalition for Housing) Work Program and Budget
(*Planning*)

[Attachment A: ARCH Memo to Councils - 2022 Budget and Work Program](#)

[Attachment B: ARCH Assessment Cedar River Final Report 2021](#)

Legislative History

10/12/21 Committee of the Whole - referred to the City Council
Planning and Public Works

5. [AM No. 21-155](#) CIP Project Approval - Electrical Service Upgrades and Electric Vehicle Charging Infrastructure
(*Parks and Recreation*)

[Attachment A: CIP Business Case and Cost Estimate](#)

B. Items Removed from the Consent Agenda

IV. HEARINGS AND REPORTS

A. Public Hearings

B. Reports

1. Staff Reports

1. [AM No. 21-156](#) Review of the 2021 and 2022 Tourism Fund Allocation for Matching Grants
(Planning)

[Attachment A: 2021 Tourism Outline and FAQ](#)

[Attachment B: Grant Application Matrix](#)

[Attachment C: Slides](#)

[Attachment D: LTAC Meeting Minutes, September 24, 2021](#)

Legislative History

10/12/21	Committee of the Whole - Planning and Public Works	referred to the City Council
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2. **Ombudsperson Report**

Kritzer

3. **Committee Reports**

VI. NEW BUSINESS

VII. EXECUTIVE SESSION

VIII. ADJOURNMENT



City of Redmond

15670 NE 85th Street
Redmond, WA

Memorandum

Date: 10/19/2021
Meeting of: City Council
Day

File No. SPC 21-094
Type: Special Orders of the

PRESENTATION: PSE Preparation and Response During Storm Season (Renee Zimmerman)



City of Redmond

15670 NE 85th Street
Redmond, WA

Memorandum

Date: 10/19/2021
Meeting of: City Council

File No. SPC 21-095
Type: Minutes

Approval of the Minutes: October 5, 2021, Regular Business Meeting (Digital recordings of Regular City Council meetings are available for purchase by contacting the City Clerk's Office, and on-demand videos are available online.)

CALL TO ORDER AND ESTABLISHMENT OF QUORUM

A Regular Meeting of the Redmond City Council was called to order by Mayor Angela Birney at 7:00 p.m. The meeting was held in-person and remotely. Council members present and establishing a quorum were: Anderson, Carson, Fields, Forsythe, Khan, Kritzer and Padhye.

SPECIAL ORDERS OF THE DAY

A. PROCLAMATION: National Community Planning Month

Mayor Birney read the proclamation into the record and Sherri Nichols, Chair of the Redmond Planning Commission, accepted the proclamation.

B. PRESENTATION: King County's Health Through Housing Program

Mayor Birney introduced Leo Flor and Mark Ellerbrook, representing King County's Health Through Housing Program, who provided a presentation to the Council and responded to Councilmember inquiries.

ITEMS FROM THE AUDIENCE

Mayor Birney opened Items from the Audience at this time.

The following person commented regarding recommended changes to the School Resource Officer Contract: Marjorie Carlson and Joy Randall.

The following persons commented regarding the vaccine mandate for Firefighters: Sophie Pearson; Amanda Parnell; Tyler Parnell; Brooke Frei; Brian Robillard; and Tracy Robillard.

The following person commented regarding the carbon footprint and greenhouse gas emissions: David Morton.

There being no one else requesting to provide comment, Mayor Birney closed Items from the Audience at this time.

CONSENT AGENDA

MOTION: Councilmember Padhye moved to approve the Consent Agenda. The motion was seconded by Councilmember Carson.

1. Approval of the Minutes: September 21, 2021, Regular Business Meeting and Special Meeting.
2. Approval of Payroll/Direct Deposit and Claims Checks

PAYROLL/DIRECT DEPOSITS AND WIRE TRANSFERS:

#186836 through #186853
#119283 through #119985
#1359 through #1363

\$3,499,060.18

#119986 through #119993
#1364 through #1364

\$11,219.79

CLAIMS CHECKS:

#435228 through #435451

\$5,230,815.85

3. AM No. 21-143: Approval of an Ordinance Adopting the General Wastewater Plan Update
 - a. Ordinance No. 3061: An Ordinance of the City of Redmond, Washington, Amending the Redmond Comprehensive Plan by Adopting the 2021 General Wastewater Plan Update, Amending Associated Elements of the Comprehensive Plan, Providing for Severability, and Establishing an Effective Date
4. AM No. 21-144: Approval of a Pollution Prevention Assistance Partnership Interagency Agreement with the Department of Ecology
5. AM No. 21-145: Approval of the 2021 22 Agreement with the Washington Conservation Corps (WCC), in the Amount of \$193,520, between the City of Redmond

and the Washington State Department of Ecology

6. AM No. 21-146: Approval of Consultant Agreement with BHC Consultants for Engineering Services for the Targeted Equipment Upgrades for Wastewater Lift Stations 5, 6, 8, 11 and 15 Projects in a Maximum Amount Payable of \$758,000
7. AM No. 21-147: Adoption of an Ordinance Lowering the Maximum Speed on Redmond Woodinville Road between NE 90th Street and NE 87th Street
 - a. Ordinance No. 3062: An Ordinance of the City of Redmond, Washington, Amending Redmond Municipal Code 10.24.060, Schedule, in Order to Reduce the Speed Limit on Redmond Woodinville Road from NE 90th Street to NE 87th Street to 30 MPH in this Corridor
8. AM No. 21-148: Approve Consultant Contract for Construction and Demolition Program Support
9. AM No. 21-149¹: Approval of the 2021 2022 School Resource Officer Agreement between the City of Redmond and the Lake Washington School District
10. AM No. 21-150: Confirmation of the Appointment of Michael Marchand to serve as Redmond's Technology and Information Services (TIS) Director
11. AM No. 21-151: Approval of a Consultant Agreement with Arthur J. Gallagher & Co. for Healthcare Broker Services in the Amount of \$110,000 Per Year

VOTE: The motion passed (7 - 0).

Mayor Birney read the titles of Ordinance Nos. 3061 and 3062 into the record.

¹ This item was removed from the consent agenda and discussed separately.

ITEMS REMOVED FROM THE CONSENT AGENDA

9. AM No. 21-149: Approval of the 2021-2022 School Resource Officer Agreement between the City of Redmond and the Lake Washington School District

MOTION: Councilmember Carson moved to approve AM No. 21-149. The motion was seconded by Councilmember Forsythe.

MOTION: Councilmember Forsythe moved to amend Article IX to expire on June 30, 2023 and require a Council review of the metrics of the SRO pilot program after one year. The motion was seconded by Councilmember Kritzer.

Following Councilmember discussion,

VOTE: The motion to amend passed (7 - 0).

MOTION: Councilmember Khan moved to amend Article II A to state the City shall assign up to three regularly employed officers. The motion was seconded by Councilmember Kritzer.

VOTE: The motion to amend passed (4 - 3), with Councilmembers Padhye, Carson and Anderson in opposition.

VOTE: The main motion as amended passed (6 - 1), with Councilmember Khan in opposition.

HEARINGS AND REPORTS

PUBLIC HEARING

- A. AM No. 21-152: Public Hearing on the Interim Official Control Ordinance No. 3059 Amending Article I, Article II, and Article VII of the Redmond Zoning Code to Align Homeless Shelter Regulations with State Adopted Definitions and to Implement the Preemption Adopted by House Bill 1220 that Allows Permanent Supportive Housing and Transitional Housing in All Zoning Districts Where Residential Dwellings and/or Hotels are Allowed and to Allow Emergency Housing and Emergency Shelters in All Zoning Districts Where Hotels are Allowed.

Carol Helland, Director of Planning and Community Development, introduced this item, provided a presentation and responded to Councilmember inquiries.

The following persons provided public comment for the public hearing on the Interim Official Control, Ordinance No. 3059: Bruce Drager; Harold Odom; Zaneta Reid; Maria Lynn Arns; Luke Slaughterbeck; Joy Randall; ZsaZsa Floyd; Ying P.; Marjorie Carlson; Don Matheson; Kirk Hovenkotter; Lea Ellis; Dennis Ellis; Kan Qiu; Dmitry Belenro; Dianne Linden; Shauna Nelson; Mike Mathias; Adele Bolson; Jose Grimaldo; Patricia Narvaez; John Nielsen; Dan Mythen; Minda Kudlacz; Dave K.; Young Kim; Karen Black; Shirley Cui; Martin Lan; and Ying Hu.

MOTION: Councilmember Padhye moved to extend the meeting until 11:30 p.m. The motion was seconded by Councilmember Forsythe.

VOTE: The motion passed (5 - 1), with Councilmember Fields in opposition, and Councilmember Carson was absent from room during the vote.

MOTION: Councilmember Anderson moved reports to the next study session. The motion was seconded by Councilmember Forsythe.

VOTE: The motion passed (6 - 0), with Councilmember Carson absent from the room during the vote.

MOTION: Councilmember Padhye moved to extend the meeting until 11:50 p.m. The motion was seconded by Councilmember Kritzer.

VOTE: The motion passed (7 - 0).

ADJOURNMENT

The regular meeting adjourned at 11:51 p.m.

ANGELA BIRNEY, MAYOR

CITY CLERK

Minutes Approved: October 19, 2021



City of Redmond

15670 NE 85th Street
Redmond, WA

Memorandum

Date: 10/19/2021
Meeting of: City Council

File No. SPC 21-096
Type: Check Register

Approval of Payroll/Direct Deposit and Claims Checks

City of Redmond
Payroll Check Approval Register
 Pay period: 9/16 - 9/30/2021
 Check Date: 10/8/2021

Check Total:	\$ 56,496.87
Direct Deposit Total:	\$ 2,180,744.09
Wires & Electronic Funds Transfers:	\$ 1,376,555.14
Grand Total:	<u>\$ 3,613,796.10</u>

We, the undersigned Council members, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Redmond, and that we are authorized to authenticate and certify to said claim.

All Checks numbered **186858** through **186876** ,
 Direct deposits number **119994** through **120690** , and
 Electronic Fund transfers **1365** through **1369**
 are approved for payment in the amount of **\$3,613,796.10**
 on this **19 day of October 2021**.

Note:

-
- Check # 186854 = Andrew Costello check reprint
-
- Check # 186855 = Matthe Smith chec reprint
-
- Check # 186856 = Alexandria Louie check reprint
-
- Check # 186857 = Jonathan Garner check reprint
-

City of Redmond
Payroll Final Check List
 Pay period: 9/16 - 9/30/2021
 Check Date: 10/8/2021

Total Checks and Direct deposit:	\$ 3,226,297.76
Wire Wilmington Trust RICS (MEBT):	\$ 387,498.34
Grand Total:	<u>\$ 3,613,796.10</u>

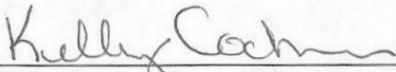
I, the Human Resources Director, do hereby certify to the City Council, that the checks and direct deposits for the month of March are true and correct to the best of my knowledge.

DocuSigned by:

 7C0092BCC9C549B...

Human Resources Director, City of Redmond
 Redmond, Washington

I, the Finance Director, do hereby certify to the City Council, that the checks for the months of October 2021 are true and correct to the best of my knowledge.



Chip Corder, Finance Director
City of Redmond
Redmond, Washington

We, the undersigned Councilmembers, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Redmond, and that we are authorized to authenticate and certify to said claim. All checks numbered 435452 through 435751, and Wire Transfers are approved for payment in the amount of \$7,128,753.56 This 19th day of October 2021.



Memorandum

Date: 10/19/2021
Meeting of: City Council

File No. AM No. 21-153
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Planning and Community Development	Carol Helland	425-556-2107
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DEPARTMENT STAFF:

Public Works	Dave Juarez	Director
Planning and Community Development	Andy Chow	Manager, Development Engineering
Planning and Community Development	Pat Lyga	Senior Engineering Technician

TITLE:

Adoption of an Ordinance for Approval of the Final Plat of Rose Hill West

- a. Ordinance No. 3063: An Ordinance of the City of Redmond, Washington, Approving the Final Plat of Rose Hill West Pursuant to RCW 58.17.170 and RZC 21.74.030, and Establishing an Effective Date

OVERVIEW STATEMENT:

Rose Hill West is a subdivision final plat, located at 9717 138th Avenue NE in Redmond. The applicant proposed to subdivide 6.53 acres into 24 single-family residential lots, a native growth protection area tract, a recreation and storm drainage tract, and an access tract. The decision to approve or disapprove the Rose Hill West final plat is a quasi-judicial decision made by the City Council.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

- Receive Information** **Provide Direction** **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
RZC 21.74.030.G

- **Council Request:**

N/A

- **Other Key Facts:**

The Rose Hill West preliminary plat was approved with conditions by the Hearing Examiner on August 5, 2019. The Rose Hill West engineering plans were approved on September 29, 2020. The Rose Hill West final plat was submitted by applicant for staff review on April 28, 2021. Staff has reviewed the list of conditions outlined in the Hearing Examiner’s August 5, 2019, Findings Conclusions, and Decision and determined that the final plat of Rose Hill West conforms to those conditions and all other requirements set forth under RCW 58.17.170 and RZC 21.74.030.C. The applicant presented and the City accepted a financial guarantee for the installation of all plat improvements. Final plat approval does not imply acceptance of improvements.

OUTCOMES:

Approval of the final plat will allow the applicant to record the final plat with the King County Recorder and thus create new lots and apply for building permits.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**

N/A

- **Outreach Methods and Results:**

Outreach conducted as per code requirements.

- **Feedback Summary:**

N/A

BUDGET IMPACT:

Total Cost:

N/A

Approved in current biennial budget:

Yes

No

N/A

Budget Offer Number:

000244-Development Services

Budget Priority:

Vibrant and Connected

Other budget impacts or additional costs:

Yes

No

N/A

If yes, explain:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
08/10/2021	Committee of the Whole - Planning and Public Works	Receive Information

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

Final plat approval followed by recording of the final plat are necessary prerequisites to obtaining building permits within this subdivision, and the applicant would like to obtain building permits as soon as possible.

ANTICIPATED RESULT IF NOT APPROVED:

Applicant will not be able to record the final plat which is a prerequisite to obtaining building permits within this subdivision.

ATTACHMENTS:

- Attachment A: Ordinance
- Attachment B: Vicinity Map
- Attachment C: Hearing Examiner's Decision

NON-CODE

CITY OF REDMOND
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF REDMOND,
WASHINGTON, APPROVING THE FINAL PLAT OF ROSE
HILL WEST PURSUANT TO RCW 58.17.170 AND RZC
21.74.030, AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City of Redmond has received an application for approval of the final plat of Rose Hill West, and

WHEREAS, final plat approval is addressed under RZC 21.74.030, which requires that the Redmond City Council adopt findings in support of its decision and approve the final plat.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings adopted. The Redmond City Council adopts the following findings in support of its approval of the ROSE HILL WEST final plat:

1. The Redmond Hearing Examiner conditionally approved the related Rose Hill West Subdivision Preliminary Plat on August 5, 2019. The Hearing Examiner's Findings, Conclusions, and Decision contains conditions incorporated as shown in Attachment C.
2. The applicant submitted the Rose Hill West final plat for review on April 28, 2021.
3. Under RCW 58.17.170 and RZC 21.74.030(G), final plat approvals require City Council approval.
4. Under RCW 58.17.170 and RZC 21.74.030(C), the criteria to be used by the City Council in determining whether to grant final plat approval are:

- A. whether the final plat substantially conforms to all terms, conditions and provisions of the preliminary approval; and
 - B. whether the final plat contains a dedication to the public of all common improvements, including but not limited to streets, roads, sewage disposal systems, storm drainage systems, and water supply systems which were a condition of approval. The intention to dedicate shall be evidenced by the owner's presentment of a final plat showing the dedication, and the acceptance by the City shall be evidenced by the approval of the final plat; and
 - C. whether the final plat meets the requirements of RZC 21.74, applicable state laws, and all other local ordinances adopted by the City which were in effect at the time a complete application for preliminary plat approval was filed.
5. The City staff has reviewed the final plat of Rose Hill West and has advised the Council that the final plat conforms to all terms and conditions of preliminary plat and contains a dedication to the public of all common improvements. Based on the staff review, the Council finds that the final plat meets the first and second criteria for approval.
 6. At the time of preliminary plat approval, the Redmond Hearing Examiner determined that, as conditioned, the preliminary plat met the requirements of the state subdivision laws, the State Environmental Policy Act, and the subdivision approval requirements of the RZC. No evidence has been presented to change this determination. The City Council therefore finds that the final plat meets the third criteria for approval.

Section 2. Approval of final plat. The final plat of Rose Hill West, now titled Encore at Rose Hill, is hereby approved, subject to fulfilling any late-comer agreements and posting of any

performance guarantees as determined by the Director of Public Works.

Section 3. Effective date. This ordinance shall take effect and be in full force five days after its passage and publication of a summary as provided by law.

ADOPTED by the Redmond City Council this ____ day of _____, 2021.

CITY OF REDMOND

ANGELA BIRNEY, MAYOR

ATTEST:

(SEAL)

CHERYL XANTHOS, MMC, CITY CLERK

APPROVED AS TO FORM:

JAMES E. HANEY, CITY ATTORNEY

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
SIGNED BY THE MAYOR:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO:

136TH AVE NE

137TH PL NE

NE 100TH ST

TRACT C

137TH PL NE

TRACT B

NE 98TH ST

NE 98TH ST

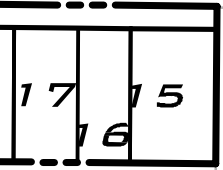
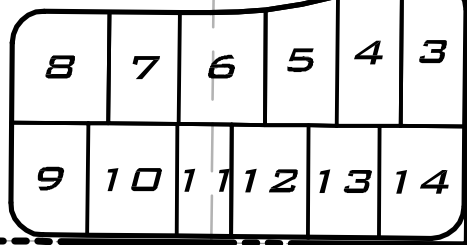
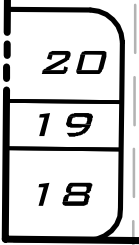
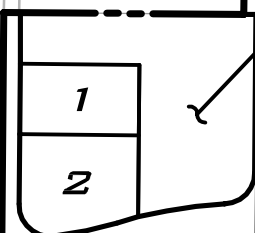
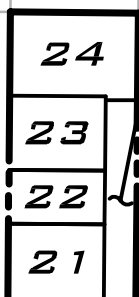
136TH AVE NE

138TH AVE NE

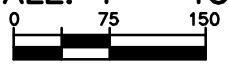
NE 97TH ST

NE 97TH ST


TRACT A



SCALE: 1" = 150'



Apr 20, 2021 - 11:20am - User akay
E:\Projects\19247\Dwg\Final\Final Plat\19247-VIC.dwg

 BLUELINE <small>25 CENTRAL WAY SUITE 400 KIRKLAND, WA 98033 P: 425.216.4051 F: 425.216.4052 WWW.THEBLUELINEGROUP.COM</small>	SCALE	AS NOTED
	PROJECT MANAGER	ADAM KAY
	DESIGNED BY	ADAM KAY
	DRAWN BY	ADAM KAY
	PLOT DATE	April 20, 2021

**VICINITY MAP
ROSE HILL WEST**

JOB NUMBER: 19-247
FIGURE: 1.0

**BEFORE THE CITY OF REDMOND
HEARING EXAMINER**

In the Matter of the Application of)	
)	NO. LAND 2018-00501
)	
Kelly Foster, Laird Holdings LLC)	Rose Hill West Preliminary Plat
)	
)	
For Approval of a Preliminary Plat)	FINDINGS, CONCLUSIONS,
_____)	AND DECISION

SUMMARY OF DECISION

The request for approval of a preliminary plat to subdivide 6.53 acres into 24 single-family residential lots, a native growth protection area tract, a recreation and storm drainage tract, and an access tract is **GRANTED** subject to conditions.

SUMMARY OF RECORD

Request:

Kelly Foster of Laird Holdings LLC (Applicant) requested approval of a preliminary plat to subdivide 6.53 acres into 24 single-family residential lots, a native growth protection area tract, a recreation and storm drainage tract, and an access tract. The subject property is located at 9717 138th Avenue NE, Redmond, Washington.

Hearing Date:

The Redmond Hearing Examiner conducted an open record hearing on the request on August 5, 2019.

Testimony:

At the open record hearing, the following individuals presented testimony under oath:

- Scott Reynolds, Planner, City of Redmond
- David Lee, Senior Planner, City of Redmond
- Min Luo, Senior Transportation Engineer, City of Redmond
- Clayton Graham, Applicant Representative
- Kelly Foster, Applicant Representative
- Jeremy Febus, PE, FPF Consulting Engineers, Applicant Representative

Exhibits:

At the open record hearing, the following exhibits were admitted in the record:

1. City of Redmond Technical Committee Report to the Hearing Examiner, with the following attachments:
 1. Determination of Completeness
 2. General Application Form
 3. SEPA Application Form
 4. Vicinity Map
 5. Plan Set
 6. Notice of Application Certificate of Public Notice and Public Notice Site Plan
 7. Neighborhood Meeting Notice, Presentation, and PowerPoint slides
 8. Public Comments
 9. SEPA DNS Certificate of Posting & Checklist
 10. Stormwater Report
 11. Traffic Study
 12. Critical Area Report
 13. Geotechnical Report
 14. Notice of Public Hearing and Certificates of Posting
 15. Arborist Report
 16. Tree Exception Letter
 17. Tree Exception Approval
2. Gary Smith public comment, dated August 4, 2019
3. Planning Staff's PowerPoint Presentation
4. Amended Technical Committee Report, dated August 5, 2019

Upon consideration of the testimony and exhibits submitted, the Hearing Examiner enters the following findings and conclusions:

FINDINGS

1. The Applicant requested approval of a preliminary plat to subdivide 6.53 acres into 24 single-family residential lots, a native growth protection area tract, a recreation and storm drainage tract, and an access tract. The subject property is located at 9717 138th Avenue NE, Redmond, Washington. *Exhibits 1, 1.2, and 1.5.*

2. The preliminary plat application was deemed complete on June 4, 2018. *Exhibits 1 (page 2) and 1.1.*
3. The subject property is located in the Willows/Rose Hill Neighborhood. The Comprehensive Plan's housing and land use policies include providing incentives for affordable housing, encouraging infill development on suitable vacant parcels and redevelopment of underutilized parcels, allowing new development only where adequate public facilities and services can be provided, and promoting attractive, friendly, safe, quiet and diverse residential neighborhoods. *Exhibit 1, page 11.*
4. The subject property is zoned RA-5 (Semirural Residential), R-1 (Single-Family Constrained Residential), and RIN (Residential Innovative), but all proposed residential development would be on land that is zoned RIN. *Exhibit 1, page 4.* The purpose of the RIN zone is to:

promote single-family housing consisting of smaller dwelling units to respond to changing household sizes and ages. It will provide opportunities for households of various sizes, ages, and incomes to live in a neighborhood by promoting diversity in the size, type, and price of new single-family homes. Also, this zone will blend new development with existing residential development to help maintain neighborhood character, particularly in neighborhoods with a predominance of small to moderately sized homes. The zone will help to provide appealing and active streetscapes that promote a more walkable and enjoyable neighborhood experience. The density allowed within the zone shall be four to five dwelling units per gross acre depending on the size of the site and the size of dwellings proposed.

Redmond Zoning Code (RZC) 21.08.070.A.

5. The southwest portion of the property contains a Puget Sound Energy electrical transmission line corridor, a hazardous liquid pipeline corridor, steep slopes, and buffers associated with an off-site wetland and stream. No development is proposed within these areas. *Exhibits 1 and 1.5.*
6. Surrounding land uses include single-family residences to the north and east, the Interlake Sporting Association firing range to the south, and a utility corridor and single-family residences to the west. *Exhibits 1 (page 3) and 1.5.*
7. The development standards applicable to the RIN zone include a maximum base density (not including bonus units) of five dwelling units per acre of gross site area, and a minimum density of 80% of the maximum density allowance of the net site area, which is calculated to exclude features such as critical areas and buffers, streets, and common open spaces. The RIN-zoned portion of the subject property is 4.88 acres, allowing a maximum base density of 24 dwelling units. The net buildable area of the subject property for purposes of calculating minimum density is 2.93 acres, requiring a minimum density of 12 dwelling units. The proposed 24 dwelling units fit within the required

- range. *Exhibit 1.5; RZC Table 21.08.070.A.* The initial proposal was for 37 lots; through project review, the lots and tracts were refined to the current proposal, avoiding sensitive areas. *Clayton Graham Testimony.*
8. Pursuant to RZC 21.20.020-.030, all new single-family residential development in the Willows/Rose Hill Neighborhood must provide 10% of proposed units as affordable housing consistent with Redmond's standards. The minimum required affordable housing for the proposed development is two dwelling units. The Applicant proposes to provide one "low-cost affordable housing unit," which pursuant to RZC 21.20.030.E is the equivalent of two affordable dwelling units. Although compliance with the affordable housing requirement entitles the Applicant to bonus dwelling units, the project does not propose to utilize these. *Exhibit 1.5; Exhibit 1 (page 9); RZC 21.20.030.*
 9. Pursuant to RZC 21.08.360, applications for subdivisions of 30,500 square feet or greater in the RIN zone must include "smaller dwelling units" at the rate of a minimum of 20% of the greater of the number of proposed dwelling units or the net buildable area multiplied by the site's allowed density. For the proposed development, the minimum number of smaller dwelling units is five. The Applicant proposes five smaller dwelling units, which would be distributed throughout the subdivision on Lots 1, 11, 16, 19, and 22. The Lot 19 dwelling unit would also be the affordable housing unit. *RZC 21.08.360; Exhibits 1 (page 10) and 1.5.*
 10. The proposed lots have been designed to satisfy the bulk dimensional standards of the RIN zone, including minimum average lot size, lot width circle, frontage, setbacks, and building separation. The proposed lots would average 5,315 square feet in area and would be at least 35 feet wide, with at least 20 feet of street frontage. This average lot size is over 1,000 larger than the minimum lot size required. Compliance with the City's architectural, minimum setback, and maximum height standards would be determined at the time of building permit review for each parcel. *Exhibits 1 and 1.5.*
 11. In addition to the 24 residential lots, the plat includes three proposed tracts. Proposed Tract A is an 81,662 square foot open space tract comprising the southwest portion of the property encompassing all critical area, associated buffers, and the utility transmission line easements; Tract A would be preserved as a native growth protection area (NGPA). Proposed Tract B is a 17,124 square foot stormwater and recreation tract that would be located adjacent to 138th Avenue NE in the northeast portion of the property. Proposed Tract C is a 4,124 square foot access tract that would serve Lots 21 through 24 in the northwest portion of the property. *Exhibit 1.5.*
 12. The Applicant submitted a professionally prepared critical area study that evaluated the critical areas on and adjacent to the site. Gun Club Creek (a Class II stream requiring a 150-foot-wide buffer) and a Category II wetland requiring a 150-foot buffer are located southwest of the subject property. The buffers for these critical areas extend onto the southwest corner of the subject property but are separated from the proposed development area by steep slopes and 50-foot slope buffers. There is also a Category IV wetland requiring a 50-foot buffer to the south of the subject property, the buffer of

which does not extend onto the subject property. All on-site critical area buffers and steep slopes would be fully contained within proposed Tract A, within which no development is proposed. *Exhibits 1.5 and 1.12.*

13. The proposed development is not subject to City noise study requirements because it is not within 100 feet of an arterial street. *Exhibit 1 (page 9).*
14. Redmond Zoning Code Chapter 21.72 requires that all healthy landmark trees and 35% of all healthy significant trees be retained.¹ Removed landmark trees (when authorized) must be replaced at a 3:1 ratio and removed non-landmark significant trees must be replaced at a 1:1 ratio. There are 263 healthy significant trees on site, including 52 healthy landmark trees. Of these, the Applicant proposes to remove 31 landmark trees and 130 non-landmark significant trees. The proposed tree removal would result in a significant tree retention rate of 38%, exceeding the minimum 35% required by ordinance. The retained trees would be located primarily in Tract A, with additional trees retained along the northern property boundary within Tract B and along the western property boundary. On July 10, 2019, the Applicant received administrative approval of an exception from the landmark tree retention requirement pursuant to RZC 21.72.090. The approval authorized the proposed removal of 31 landmark trees subject to replacement with 96 trees and compliance with the submitted landscape plan. According to the Applicant's arborist report, the three additional replacement trees are to mitigate impacts to a landmark tree that would be retained on site. In addition to the 96 trees planted as mitigation for landmark tree removal or impact, the Applicant proposes to replace the removed non-landmark significant trees with 130 significant trees as required by the ordinance. Trees would be planted along the north, south, and east boundaries between the subject property and existing residential properties, around the stormwater tract, and between Lot 15 and the firing range. In addition to replacement trees, 50 street trees would also be provided along the site frontages. The City reviewed the Applicant's landscape plan and submitted that it complies with the City's landscaping requirements. *Exhibits 1 (page 8), 1.5, 1.15, 1.16, and 1.17.*
15. The proposal exceeds the minimum open space requirement for the RIN zone. Although the project is required to set aside 20% of the net site area (gross area less streets) as open space, the proposal sets aside 48,596 square feet of open space, which is more than 40% of the net site area. Recreation space, with amenities including a slide, swing set, bench, and picnic table, would be provided within Tract B. *Exhibits 1 and 1.5; Jeremy Febus Testimony.*
16. Access to the plat would be from 138th Avenue NE, via proposed NE 98th Street and NE 97th Street, and from 137th Place NE. The internal street system would also include proposed 136th Avenue NE and a private access drive serving Lots 21 through 24. The public streets would be developed to "rustic street" standards for the NE Rose Hill

¹ Pursuant to RZC 21.78, significant trees are those that are at least six inches in diameter at breast height, and landmark trees are those that are over thirty inches in diameter.

- Neighborhood Subarea, which include sidewalks, a planting strip on one side of the street, and a drainage swale on the opposite side of the street. *Exhibits 1 and 1.5.*
17. The City Technical Committee granted a deviation from driveway spacing standards to allow the proposed location of the private access to Lots 21 through 24, which would be approximately five feet west of the intersection of NE 98th Street and 136th Avenue NE. The location is not expected to create traffic conflicts due to the low volume of traffic using the private drive and because NE 98th Street dead ends west of 136th Avenue NE. *Exhibit 1.*
 18. The proposed development is expected to generate 226 net new vehicle trips per day, including 14 AM peak hour trips and 21 PM peak hour trips. Based on the trip generation study prepared by the Applicant's transportation engineer, all traffic from the development is expected to use the intersection of NE 100th Street and 132nd Avenue NE to the west of the subject property, which is located within Kirkland City limits. This intersection is not signalized, but there are stop signs controlling the eastbound and westbound approaches. Based on 2017 traffic counts, the intersection operates at Level of Service (LOS) F during the PM peak hour and is expected to operate at LOS F under future traffic conditions (i.e., including approved pipeline development in the vicinity) with or without the traffic generated by the instant project. The traffic at the intersection, and associated difficulty in pedestrian crossing, was the key concern raised in public comment on the subdivision application, and requests were made that a signal be installed. However, based on analysis of the signal warrants contained in the *Manual on Uniform Traffic Control Devices*, the warrants are not satisfied at the intersection. The Applicant's trip generation study indicated that the project would send a small volume of traffic to this intersection. The Applicant would be required to mitigate traffic impacts through payment of mitigation fees pursuant to City ordinance. *Exhibits 1, 1.8, and 1.11.*
 19. Stormwater runoff from the northeast portion of the subject property, including all proposed roadways and 21 of the lots (Lots 1 through 14 and 18 through 24), would be collected and conveyed to a combined water quality and detention vault within Tract B. The outfall from the detention vault would be to the existing Rose Hill east stormwater conveyance system, which has capacity for the additional runoff. Roof runoff from Lots 15 through 17 would be directed to a downspout dispersion trench to the east of Lot 15. The Applicant designed the proposed stormwater system for compliance with Washington State Department of Ecology's Stormwater Management Manual for Western Washington and with the Redmond Stormwater Technical Notebook. *Exhibit 1.10; Jeremy Febus Testimony.*
 20. The proposed development would be served by the City of Redmond water and sewer systems, which systems have capacity to serve the proposed lots. *Exhibit 1; Scott Reynolds Testimony.*
 21. The proposed subdivision would be served by Mark Twain Elementary School, Rose Hill Middle School, and Lake Washington High School. Bus transportation would be provided to all three schools from bus stops located between 0.1 and 0.3 miles from the

site. A safe walk route would also be available, as the proposed sidewalks would connect to an existing sidewalk network.² Impacts to schools would be mitigated through payment of school mitigation fees. *Exhibit 1; Jeremy Febus Testimony.*

22. The City of Redmond acted as lead agency for review of the project's environmental impacts pursuant to the State Environmental Policy Act (SEPA). The City's SEPA responsible official issued a determination of non-significance (DNS) on April 9, 2019. No comments or appeals were filed in response to the DNS. *Exhibits 1 (page 7) and 1.9.*
23. Notice of the open record public hearing on the application was posted on-site, at City Hall, and the Redmond Library, published in the *Seattle Times*, and mailed to owners of surrounding property within 500 feet of the site on or before July 15, 2019. *Exhibit 1.14.* There was no additional public comment offered at the hearing.
24. The Technical Committee, comprised of staff from Redmond Planning, Public Works, and Fire Departments, reviewed the complete application and supporting materials for compliance with City regulations and the Comprehensive Plan. The Technical Committee recommended project approval subject to conditions. *Exhibit 1.* The Applicant waived objection to all recommended conditions of approval. *Clayton Graham Testimony.*

CONCLUSIONS

Jurisdiction:

The Hearing Examiner is authorized to conduct open record hearings and issue decisions on Type III permits, including preliminary plat permit applications, pursuant to RZC 21.76.050.C, Table 21.76.050B, and RZC 21.76.060.F.

Subdivision Criteria for Review:

Pursuant to RZC 21.74.030.B.1, the Examiner shall approve an application for subdivision if findings can be entered showing the following criteria are satisfied:

- a. The proposal complies with the general criteria applicable to all land use permits set forth in RZC 21.76.070.B, Criteria Applicable to All Land Use Permits;
- b. The proposal conforms to the site requirements for the zoning district in which the property is located;
- c. The proposal conforms to the requirements of this chapter;
- d. The proposed short subdivision, binding site plan, unit lot subdivision, or preliminary subdivision:

² Sidewalks approved in the previously approved Rose Hill subdivision to the east would be completed by the time the instant lots are developed. *Testimony of Jeremy Febus and Kelly Foster.*

- i. Makes adequate provision for streets, roads, alleys, other public ways, and transit stops as required by this chapter; and the proposed street system conforms to the City of Redmond Transportation Master Plan and Neighborhood Street Plan, and is laid out in such a manner as to provide for the safe, orderly, and efficient circulation of traffic;
 - ii. Will be adequately served with water, sewer, storm drainage, and other utilities appropriate to the nature of the subdivision or short subdivision;
 - iii. Makes adequate provision for parks, recreation, and playgrounds, as required by this chapter;
 - iv. Makes adequate provision for schools and school grounds;
 - v. Makes adequate provisions for sidewalks and other planning features that meet the requirements of this chapter and that provide safe walking conditions for students who walk to and from school;
 - vi. Serves the public interest and makes appropriate provisions for the public health, safety, and welfare.
- e. Geotechnical considerations have been identified, and all hazards and limitations to development have been considered in the design of streets and lot layout to assure streets and building sites are on geologically stable soil, considering the stress and loads to which the soil may be subjected.

RZC 21.74.030.B.2 states that lack of compliance with the criteria set forth in subsection (1) of this section shall be grounds for denial of a proposed subdivision or short subdivision, or for the issuance of conditions necessary to more fully satisfy the criteria.

Conclusions Based on Findings:

1. As conditioned, the proposal complies with the general criteria applicable to all land use permits, which include (in relevant part) consistency with the City's development regulations, the Comprehensive Plan, and SEPA. The proposal would satisfy the City's tree retention/replacement, critical areas, smaller dwelling unit, and affordable housing standards and requirements. A SEPA determination of non-significance was issued for the project. The proposal is consistent with Comprehensive Plan policies that promote infill development and affordable housing. *Findings 3, 5, 6, 7, 8, 9, 10, 12, 14, 15, and 22.*
2. As conditioned, the proposal conforms to the requirements of the RIN zone. The proposed housing density falls within the allowed range. The proposed lots would be consistent with the dimensional standards of the zone. Open space usable for recreation, critical areas protection, and tree preservation in excess of minimum requirements would be provided in Tracts A and B. Perimeter landscaping would be provided consistent with code requirements. *Findings 4, 7, 9, 10, 11, 14, and 15.*

3. As conditioned, the proposal is consistent with the requirements of RZC 21.74, including requirements for easements, utilities, and streets. *Findings 16, 17, 19, and 20.*
4. As conditioned, the proposal makes adequate provision for streets. *Findings 18, 21, 25, and 26.*
5. As conditioned, the proposed subdivision would be adequately served by utilities. Each lot would be served by public sewer and water. Stormwater runoff would be collected and treated on-site in Tract B. *Findings 19 and 20.*
6. As conditioned, the proposal would make adequate provision for parks, recreation, and playgrounds through the amenities provided in Tract B. *Finding 15.*
7. As conditioned, the proposal makes adequate provision for schools and school grounds. The proposed plat would be subject to a per-lot school impact fee. The school district did not identify the need for any additional mitigation measures. *Finding 21.*
8. As conditioned, the proposal makes adequate provisions for sidewalks and safe walking conditions for students. *Finding 21.*
9. As conditioned, the proposal serves the public interest and makes appropriate provisions for the public health, safety, and welfare. The intersection of NE 100th Street and 132nd Avenue NE has been evaluated for a traffic signal and signal warrants are not satisfied. The Applicant would be required to pay fire, school, and transportation impact fees per Redmond Municipal Code (RMC) Chapter 3.10. *Findings 18 and 21; RMC Chapter 3.10.*
10. Geotechnical considerations were professionally reviewed, and all hazards and limitations to development were considered in the design of streets and lot layout. All steep slopes, critical areas buffers, and the transmission line and pipeline corridors would be preserved within Tract A. *Findings 5 and 12.*

DECISION

Based on the preceding findings and conclusions, the request for approval of a preliminary plat to subdivide 6.53 acres into 24 single-family residential lots and three tracts is **GRANTED** subject to the conditions below.

A. Site Specific Conditions of Approval

The following table identifies those materials that are approved with conditions as part of this decision.

Item	Date Received	Notes
Plan Set, pages C-0.00-Figure 1	05/17/19	<i>and as conditioned herein.</i>

SEPA Checklist	03/13/19	<i>and as conditioned herein and as conditioned by the SEPA threshold determination on April 9, 2019.</i>
Conceptual Landscaping Plan	05/17/19	<i>and as conditioned herein.</i>
Conceptual Lighting Plan	05/17/19	<i>and as conditioned herein.</i>
Proposed Tree Retention Plan	05/17/19	<i>and as conditioned herein.</i>
Traffic Mitigation Plan	05/17/19	<i>and as conditioned herein.</i>
Stormwater Design	05/17/19	<i>and as conditioned herein.</i>

B. The following conditions shall be reflected on the Civil Construction Drawings, unless otherwise noted:

1. Development Engineering - Transportation and Engineering

Reviewer: Min Luo, Senior Engineer

Phone: 425-556-2881

Email: mluo@redmond.gov

- a. Easements, Dedications and Vacations.** On-site easements, dedications and vacations shall be provided for City of Redmond review at the time of civil construction drawing approval and finalized upon recording of the final subdivision. Off-site easements must be finalized for recording prior to civil construction drawing approval. The existing and proposed easements and right-of-way shall be shown on the civil drawings and subdivision documents. Prior to acceptance of the right(s) of way and/or easement(s) by the City, the developer will be required to remove or subordinate any existing private easements or rights that encumber the property to be dedicated.

i. Easements are required as follows:

- (a) 10-foot wide sidewalk and utilities easement, granted to the City of Redmond, along all right-of-way on the west side of 138th Avenue NE along the development's frontage.
- (b) 10-foot wide sidewalk and utilities easement, granted to the City of Redmond, along all right-of-way on both sides of NE 98th Street.
- (c) 10-foot wide sidewalk and utilities easement, granted to the City of Redmond, along all right-of-way on north side of NE 97th Street and on the south side of NE 97th Street along the development frontage.
- (d) 10-foot wide sidewalk and utilities easement, granted to the City of Redmond, along all right-of-way on the east side of 137th Avenue NE.
- (e) 10-foot wide sidewalk and utilities easement, granted to the City of Redmond, along all right-of-way on both sides of 136th Avenue NE.

- (f) 100-foot blanket trail easement, granted to the City of Redmond over the transmission line corridor as shown in in the Site Plan prepared by KPFF, signed on May 16, 2019.
- (g) At the time of construction, additional easements may be required to accommodate the improvements as constructed.

(Code Authority: RZC 21.52.030 (G); RMC 12.12)

ii. Dedications for right-of-way are required as follows:

- (a) New right-of-way lines joining at the intersection of 138th Avenue NE and NE 98th Street shall connect with a 25-foot radius, or with a chord that encompasses an equivalent area at the northwest and southwest corners. The area formed by this radius or chord shall also be dedicated as right-of-way.
- (b) New right-of-way lines joining at the intersection of 137th Avenue NE and NE 98th Street shall connect with a 25-foot radius, or with a chord that encompasses an equivalent area at the northeast corner. The area formed by this radius or chord shall also be dedicated as right-of-way.
- (c) New right-of-way lines joining at the intersection of 136th Avenue NE and NE 98th Street shall connect with a 25-foot radius, or with a chord that encompasses an equivalent area at the southwest and southeast corners. The area formed by this radius or chord shall also be dedicated as right-of-way.
- (d) New right-of-way lines joining at the intersection of 136th Avenue NE and NE 97th Street shall connect with a 25-foot radius, or with a chord that encompasses an equivalent area at the northwest and northeast corners. The area formed by this radius or chord shall also be dedicated as right-of-way.
- (e) New right-of-way lines joining at the intersection of 138th Avenue NE and NE 97th Street shall connect with a 25-foot radius, or with a chord that encompasses an equivalent area at the northeast corner. The area formed by this radius or chord shall be dedicated as right-of-way.
- (f) A strip of land 12.5 feet wide (the flag) abutting the west side of the existing 138th Avenue NE right-of-way south of NE 100th Street shall be granted as right-of-way.
- (g) A strip of land three feet wide (south of the flag) abutting the west side of the existing 138th Avenue NE right-of-way shall be granted as right-of-way.
- (h) A strip of land 13 feet wide abutting the east side of the existing 137th Avenue NE right-of-way along the development frontage shall be granted as right-of-way.
- (i) A strip of land 53 feet wide shown as 136th Avenue NE between NE 97th Street and NE 98th Street in the Site Plan prepared by KPFF, signed on May 16, 2019 shall be dedicated as right-of-way.

- (j) A strip of land 53 feet wide shown as NE 98th Street in the Site Plan prepared by KPFF, signed on May 16, 2019 shall be dedicated as right-of-way.
- (k) A strip of land five feet wide abutting the north side of the existing NE 97th Street right-of-way between 136th Avenue NE and 138th Avenue shall be granted as right-of-way.
- (l) A strip of land 18 feet wide abutting the south side of the existing NE 97th Street right-of-way along the development's frontage shown in the Site Plan prepared by KPFF, signed on May 16, 2019 shall be dedicated as right-of-way.

(Code Authority: RZC 21.52.030 (G); RMC 12.12)

- b. Construction Restoration and Street Overlay.** In order to mitigate damage due to trenching and other work on 138th Avenue NE and NE 97th Street, the asphalt street shall be planed, overlaid, and/or patched, per COR SD 202 or 203. If the Pavement Condition Index (PCI) of the existing pavement is below 70 (as determined by the City's bi-annual pavement survey), the development shall be required to plane and overlay the entire half street along the project frontage at a minimum as determined by the Traffic Operations and Safety Engineering Division in Public Works. Contact Paul Cho at 425-556-2838.

(Code Authority: RMC 12.08; Redmond Standard Specifications & Details; RZC 21 Appendix 2-A.8.e)

c. Street Frontage Improvements

- i. The frontage half-street improvements along 138th Avenue NE must meet current City Standards, which includes asphalt paving 12 feet, three-foot thickened edge concrete ribbon curb measured from the right-of-way centerline, five-foot planter, five-foot wide concrete sidewalk, storm drainage, street lights, street trees, street signs and underground utilities including power and telecommunications. The minimum pavement depths for the street section shall consist of:
 - Seven inches HMA Class ½" PG 64-22
 - Four inches of 1-1/4 inch minus crushed rock base course per WSDOT Standard Spec 9-03.9(3)
 - Subgrade compacted to 95% compacted maximum density as determined by modified Proctor (ASTMD 1557)
 - Super elevated 2% sloped to drain system

(Code Authority: RZC 21.52.030; RZC 21.17.010; RMC 12.12; RZC 21 Appendix 2; Redmond Standard Specifications & Details)

- ii. The NE 97th Street full-street section, the new NE 98th Street, and 136th Avenue NE must meet current City Standards, which includes asphalt paving 22 feet, three-foot thickened edge concrete ribbon curb on each side, 10 feet drainage swale on

one side and five feet planter on the other side, 5 feet wide concrete sidewalk on each side, storm drainage, street lights, street trees, street signs and underground utilities including power and telecommunications. The minimum pavement section for the streets shall consist of:

- Seven-inches HMA Class ½” PG 64-22
- Four-inches of 1-1/4 inch minus crushed rock base course per WSDOT Standard Spec 9-03.9(3)
- Subgrade compacted to 95% compacted maximum density as determined by modified Proctor (ASTMD 1557)
- Super elevated 2% sloped to drain system

(Code Authority: RZC 21.52.030; RZC 21.17.010; RMC 12.12; RZC 21 Appendix 2; Redmond Standard Specifications & Details)

- iii. The NE 97th Street half-street section must meet current City Standards, which includes asphalt paving 20 feet, including three-foot thickened edge concrete ribbon curb on one side, concrete curb and gutter on the other side, 4.5 feet gravel shoulder on the south side and five feet planter and 5 feet wide concrete sidewalk on the north side, storm drainage, street lights, street trees, street signs and underground utilities including power and telecommunications. The minimum pavement section for the streets shall consist of:

- Seven-inches HMA Class ½” PG 64-22
- Four-inches of 1-1/4 inch minus crushed rock base course per WSDOT Standard Spec 9-03.9(3)
- Subgrade compacted to 95% compacted maximum density as determined by modified Proctor (ASTMD 1557)
- Super elevated 2% sloped to drain system

(Code Authority: RZC 21.52.030; RZC 21.17.010; RMC 12.12; RZC 21 Appendix 2; Redmond Standard Specifications & Details)

- iv. The 137th Avenue NE half-street section must meet current City Standards, which include asphalt paving 16 feet, including three-foot thickened edge concrete ribbon curb, five feet planter and 5 feet wide concrete sidewalk on the east side, storm drainage, street lights, street trees, street signs and underground utilities including power and telecommunications. The minimum pavement section for the streets shall consist of:

- Seven-inches HMA Class ½” PG 64-22
- Four-inches of 1-1/4 inch minus crushed rock base course per WSDOT Standard Spec 9-03.9(3)
- Subgrade compacted to 95% compacted maximum density as determined by modified Proctor (ASTMD 1557)
- Super elevated 2% sloped to drain system

(Code Authority: RZC 21.52.030; RZC 21.17.010; RMC 12.12; RZC 21 Appendix 2; Redmond Standard Specifications & Details)

- v. The Access Tract C street section must meet current City Standards, which include asphalt paving 20 feet and five feet planter on the east side, storm drainage, streetlights, street trees, street signs and underground utilities including power and telecommunications. The minimum pavement section for the streets shall consist of:
- Seven-inches HMA Class ½” PG 64-22
 - Four-inches of 1-1/4 inch minus crushed rock base course per WSDOT Standard Spec 9-03.9(3)
 - Subgrade compacted to 95% compacted maximum density as determined by modified Proctor (ASTMD 1557)
 - Super elevated 2% sloped to drain system

(Code Authority: RZC 21.52.030; RZC 21.17.010; RMC 12.12; RZC 21 Appendix 2; Redmond Standard Specifications & Details)

- vi. A separate 40-scale channelization plan may be required for any public street being modified or constructed. The plan shall include the existing and proposed signs, striping and street lighting and signal equipment for all streets adjacent to the site and within at least 150 feet of the site property line (both sides of the street). The plan shall conform to the requirements in the City of Redmond Standard Specifications and Details Manual.

(Code Authority: RZC 21.52.030 (F); RZC 21 Appendix 2; Redmond Standard Specifications & Details; RCW 47.24.020)

- vii. Sidewalks constructed to City standards are required at the following locations:
- Five feet concrete sidewalks on the west side of 138th Avenue NE
 - Five feet concrete sidewalks on the east side of 137th Avenue NE
 - Five feet concrete sidewalks on both sides of 136th Avenue NE
 - Five feet concrete sidewalks on both sides of NE 98th Street
 - Five feet concrete sidewalks on the north side of NE 97th Street
 - Five feet concrete sidewalks on the south side of NE 97th Street along the development’s frontage

(Code Authority: RZC 21.10.150; RZC 21.17.010; RZC 21.52.050; RMC 12.12)

d. Access Improvements

- i. The type and location of the proposed site accesses are approved as shown on the Rose Hill West Subdivision site plan prepared by KPFF on May 16, 2019.

(Code Authority: RZC 21.52.030 (E); RZC 21 Appendix 2)

- ii. Direct access from individual lot to 138th Avenue NE will not be permitted. This restriction shall be indicated on the civil plans and other final documents.

(Code Authority: RZC 21.52.030(E); RZC 21 Appendix 2)

- e. **Underground Utilities.** All existing aerial utilities shall be converted to underground along the street frontages and within the development. All new utilities serving the development shall be placed underground.

(Code Authority: RZC 21.17.020; RZC 21 Appendix 2 – A.11)

- f. **Street Lighting.** Illumination of the street(s) along all property frontages must be analyzed to determine if it conforms to current City standards. Streetlights may be required to illuminate the property frontage. Luminaire spacing should be designed to meet the specified criteria for the applicable lamp size, luminaire height and roadway width. Contact Paul Cho, Transportation Operations at (425) 556-2751 with questions. The street lighting shall be designed using the criteria found in the City's Illumination Design Manual which can be accessed at:

<https://www.redmond.gov/862/Transportation-Documentation-Library>

(Code Authority: RZC 21.52.030 (F); RZC 21 Appendix 2)

- g. **Safe Walking Route(s).** The Redmond Zoning Code requires that safe pedestrian linkages be provided between new developments and public facilities. The proposed subdivision is within a 1-mile walking radius of the Mark Twain Elementary School. An interim walkway(s) shall be provided if the previous Rose Hill Subdivision has not completed the safe walk route.

(Code Authority: RCW 58.17.060; RZC 21.17.010(F)(2); RZC 21 Appendix 2; RZC 21.52.030; RZC 21.74.020(I))

2. Development Engineering – Water and Sewer

Reviewer: Heba Awad, Senior Utility Engineer

Phone: 425-556-2861

Email: hawad@redmond.gov

- a. **Water Service.** Water service will require a developer extension of the City of Redmond water system as follows:

The developer will install new water mains, fire hydrants, water service lines, meters and necessary appurtenances for the development generally as shown on the Preliminary Plat plan set.

The water main will be extended to the following proposed streets:

- a. Eight-inch Ductile Iron water main along 136th Avenue NE.
- b. Eight-inch Ductile Iron water main along NE 97th Street.
- c. Eight-inch Ductile Iron water main along NE 98th Street.
- d. Eight-inch Ductile Iron water main along the access road to the west side of lot number 17.

Code Authority: RZC 21.74.020(D)

Condition Applies: Civil Construction

- b. **Sewer Service.** Sewer service will require a developer extension of the City of Redmond sewer system as follows:

The developer will install new sewer mains, sewer manholes and side sewers for the development generally as shown on the Preliminary Plat plan set.

The water main will be extended to the following proposed streets:

- e. Eight-inch PVC sewer main along 136th Avenue NE.
- f. Eight-inch PVC sewer main along NE 97th Street.
- g. Eight-inch PVC sewer main along NE 98th Street.
- h. Eight-inch PVC sewer main along TRACT C.
- i. Eight-inch PVC sewer main along the access road to the west side of lot number 17.

Code Authority: RZC 21.74.020(D)

Condition Applies: Civil Construction

- c. **Easements.** Easements shall be provided for all water and sewer improvements as required in the Design Requirements for Water and Sewer System Extensions. Easements for the water and sewer mains shall be provided for City of Redmond review at the time of construction drawing approval.
 - a. 20-foot wide sewer easement, granted to the City of Redmond, along TRACT C serving lots numbers 21, 22 and 23.
 - b. 30-foot wide water and sewer easement, granted to the City of Redmond, along the access road to the west side of lot number 17.

At the time of construction, additional easements may be required to accommodate the improvements as constructed.

Code Authority: RZC 21.74.020(C), Appendix 3

Condition Applies: Civil Construction, Short Subdivision Document

- d. Permit Applications.** Water meter and side sewer applications shall be submitted for approval to the Development Engineering Utility Division. Permits and meters will not be issued until all improvements are constructed and administrative requirements are approved. Various additional guarantees or requirements may be imposed as determined by the Utilities Division for issuance of meters and permits prior to improvements or administrative requirements being completed. All stub fees shall be paid prior to sale of water and side sewer permits.

Code Authority: RMC 13.08.010, 13.12

Condition Applies: Prior to Permit Purchase

- e. Reimbursement Fees:** Reimbursement fees for connection of water and/or sewer are required. These fees are due prior to issuance of Site Permit or other city permits, which allows connection to any sewer or water facility.

Code Authority: RMC 13.12.120

Condition Applies: Prior to Permit Issuance

3. Development Engineering – Stormwater/Clearing and Grading

Reviewer: Jeff Dendy, Senior Engineer

Phone: 425-556-2890

Email: jdendy@redmond.gov

- a. Water Quantity Control:**
- i. Stormwater discharges shall match the developed discharge duration to the predeveloped duration for the range of predeveloped discharge rates from 50% of the 2-year peak flow up to the full 50-year flow. Detention shall be provided in a publicly maintained vault.
 - ii. Provide for overflow routes through the site for the 100-year storm.
 - iii. The three lots located south of NE 97th Street will have roof runoff dispersed in a common facility east of the Lot 15 house.

(Code Authority: RMC 15.24.080)(2)(d))

- b. Water Quality Control**
- i. Basic water quality treatment shall be provided in a publicly maintained wet-vault. Treatment is required for the 6-month, 24 hour return period storm.

(Code Authority: RMC 15.24.080(2)(c))

- c. **Easements.** Easements will be required for any public stormwater conveyance systems on private property. Easements shall be provided for City of Redmond review at the time of construction drawing approval and finalized for recording prior to issuance of a building permit or issuance of water meter or side sewer permits. The existing and proposed easements shall be shown on the civil plans. Prior to acceptance of the easement(s) by the City, the developer will be required to remove or subordinate any existing private easements or rights that encumber the property to be dedicated.

(Code Authority: RMC 15.24.080(2)(i))

- d. **Private Stormwater Easements.** Private stormwater easements will be required where drainage systems are located across adjacent properties and will remain under private ownership. Maintenance of private drainage systems will be the responsibility of the property owners benefiting from the easement. Prior to construction drawing approval and final short subdivision recording, fully executed and recorded easements shall be provided to the Development Engineering Division.

Code Authority: RZC 21.54.010(D), 21.74.020(C), 21.54.010(E), Appendix 3
Condition Applies: Civil Construction, Short Subdivision Document

- e. **Clearing and Grading.** Fill is needed along the east side of 137th Place NE. To limit impacts to the trees to remain, a slope, not to exceed 2 vertical feet, can be placed at a slope of 2 to 1. Any fill greater than 2 feet must be placed at the standard 3 to 1 on private property within this specific location.

(Code Authority: RMC 15.24.080)

- f. **Temporary Erosion and Sediment Control (TESC).**
 i. Rainy season work permitted October 1st through April 30th with an approved Wet Weather Plan.

(Code Authority: RMC 15.24.080)

- g. **Floodplain Management.** The project does not lie within a designated FEMA special flood hazard zone.

(Code Authority: RZC 21.64.010 and 21.64.040)

- h. **Landscaping.** Keep the storm vault access road clear of plantings and decorations / structures.

(Code Authority: RZC 21.32)

- i. Department of Ecology Notice of Intent Construction Stormwater General Permit.** Notice of Intent (NIO) must be submitted to the Department of Ecology (DOE) at least 60 days prior to construction on a site that disturbs an area of one acre or larger. Additional information is available at: www.ecy.wa.gov/pubs/0710044.pdf.

(Code Authority: Department of Ecology Rule)

- j. Soil Amendment** – To address all current conditions on-site, the project is conditioned to provide full yard soil amendment (City of Redmond Standard detail 632) for Lots 15 through 17.

(Code Authority: 2014 Stormwater Management Manual for Western Washington. Condition Applies: Coordinated Civil Review.)

4. Fire Department

Reviewer: Scott Turner, Assistant Fire Marshal

Phone: 425-556-2273

Email: sturner@redmond.gov

The current submittal is generally adequate for LAND-2018-00501 Approval but does not fully represent compliance with all requirements. The following conditions are integral to the approval and shall be complied with in Civil Drawings, Building Permit Submittals, Fire Code Permit submittal, and/or other applicable processes:

- a. Site Plan Condition**
- Fire access requirements shall conform to the codes and standards listed below (e).
 - Hydrant and water supply requirements shall conform to the codes and standards listed (below (e)).
 - Specific site plan conditions including but not limited to addresses for structures, striping and signage of required fire access, roadway surfaces and grades and individual water supply to homes will be formalized in the Civil Review Process.
- b. Fire Protection Plan** – The overall fire protection plan for this development includes:
- 1) Redmond Fire access to and within the plat utilizing public roads for providing firefighting services, rendering emergency medical aid and other emergency activities.
 - 2) Code compliant access to individual structures using private roadways and in recorded emergency vehicle access easements (EVAE).
 - 3) Establishment of recorded Emergency Vehicle Operating Areas (EVOA) where required.

- 4) A system of fire hydrants for firefighting activities.
- 5) A public water system capable of supplying water for residential fire sprinkler systems.

c. Change or Modification

- Any changes or modifications to the approved entitlement plan shall be subject to Fire Marshal approval.
- Any changes or modifications to the future approved civil plan shall be subject to Fire Marshal approval.

d. Fire Code Permit

- All homes to be equipped with an NFPA 13d compliant fire sprinkler system.
- Other permits as authorized in the International Fire Code and Redmond Fire Standards apply to the residences and facilities of this plat.

(Code Authority: RMC 15.06; RZC Appendix 3, RFD Standards, RFDD&CG)

5. Planning Department

Reviewer: Scott Reynolds, Planner

Phone: 425-556-2409

Email: sreynolds@redmond.gov

- a. Street Trees.** The following street trees are required to be installed in accordance with RZC 21.32.090. The minimum size at installation is 2 ½ inch caliper.

Street	Species	Spacing
136th Avenue NE	Japanese Flowering Cherry	30 feet on-center
137th Place NE	Okame Cherry	30 feet on-center
138th Avenue NE	Bowhall Maple	30 feet on-center
NE 98th Street	City Sprite Zelkova	30 feet on-center
NE 97th Street	Chanticleer Pear	30 feet on-center

Code Authority: RZC 21.32.090

Condition Applies: Civil Construction

- b. Disclosure.** The Final Plat shall call out and label the Interlake Sporting Association property. The applicant shall also disclose the location of the Interlake Sporting Association within the purchase agreement for all homes proposed for sale within the Rose Hill West subdivision.

Code Authority: RMC 6.36.050(A)(2)(c)
Condition Applies: Final Plat & Lot Sales

- c. **Tree Preservation Plan.** A Tree Preservation Plan depicting all significant and landmark trees required to be preserved as part of the site development must be provided with the civil construction drawings. A map of all retained trees shall be shown and recorded at the time of final plat.

Code Authority: RZC 21.72.060D
Condition Applies: Civil Construction, Final Plat & Building Permits

- d. **Tree Health Assessment.** An updated tree health assessment shall be provided during the Civil review process.

Code Authority: RZC 21.32
Condition Applies: Civil Construction

- e. **Critical Areas Recording.** The regulated critical area and its associated buffer(s) must be protected by an NGPE or placed in a separate tract where development is prohibited. Proof of recording must be submitted to the City prior to issuance of a Certificate of Occupancy on the site. Staff shall provide easement language required at time of recording.

Code Authority: RZC 21.64.010.R.4
Condition Applies: Final Plat documents

- f. **Critical Area Invasive Weed Removal.** Prior to transfer of ownership of Native Growth Protection Tract, all invasive Weeds shall be removed to the satisfaction of City of Redmond Natural Resource Department.

Code Authority: RMC 6.12
Condition Applies: Final Plat documents

- g. **Final Critical Areas Report.** A final Critical Areas Report must be submitted with the civil construction drawings or building permits if civil construction drawings are not required. All required enhancement and mitigation must be shown on the civil construction drawings. This includes any required planting, signage, fencing, wetland or stream enhancement, etc. that is required in the report. If report is greater than two years old at time of CCRs, an updated report shall be submitted.

Code Authority: RZC Appendix 1, Section G(2)**Condition Applies: Coordinated Civil Review and Final Plat documents**

- h. Setbacks.** Setback classifications (e.g. front, side, side street, rear) shall be noted on each lot corresponding to the appropriate location for each setback. The setback dimensions shall not be included.

Code Authority: RZC 21.08.170(H)**Condition Applies: Final Plat documents and Building Permits**

- i. Residential Architectural, Site, and Landscape Design.** All single-family building permits associated with the Plat shall be reviewed by the Department of Planning and Community Development for conformance with the Residential architectural, site and landscape design requirements. Please see Building Permit User Guide condition for additional information.

Code Authority: RZC 21.08.180(B)**Condition Applies: Building Permit**

- j. Planting Standards.** Landscaping shall be coordinated with water/sewer lines and fire hydrants/connections. Trees shall be planted a minimum of 8 feet from the centerline of any water/sewer lines, unless otherwise approved and provisions provided. Shrubs shall be planted to maintain at least 4 feet of clearance from the center of all fire hydrants/connections.

Code Authority: RZC 21.32.080**Condition Applies: Civil Construction**

- k. Open Space.** The proposal includes development-wide calculations to meet the open space requirements. Each lot shall include a minimum of 10 percent of total lot square footage in open space. Open space for the benefit of the entire development must be contiguous, designed for recreation, and not have dimension less than 25 feet. Required open space shall be shown on the final subdivision document.

Code Authority: RZC 21.08.170(L)(2)(a)**Condition Applies: Building Permits and Final Plat Document**

- l. Impact Fees.** For the purpose of impacts, the use(s) assigned for this project have been determined as the following: three (3) units classified as single-family residence may be credited for structures to be demolished at time

impact fee calculation during building permit review. If the proposed development is eligible for any additional credits including right-of-way dedication and system improvements, these additional credits will be assessed and provided after construction, dedication or implementation is completed and accepted by the City.

Code Authority: RMC 3.10

Condition Applies: Building Permit

- m. Bonds.** Bonds for Landscaping, Tree Preservation, Tree Replacement and Mitigation shall be provided no less than 5 days prior to request for Mylar signatures. Drafts of the Bond Agreements, Bond quantity Worksheets and Bond Calculation Worksheets shall be submitted at time of Civil Construction Application. If not provided at time of CCR submittal, entire submittal will be rejected for intake.

Code Authority: RZC 21.76.090.F

Condition Applies: Civil Construction

- n. Trail Easement.** A trail easement in the same footprint of the PSE Power line easement shall be dedicated to the City of Redmond as shown under Attachment 5, Plan Set for a future Regional PSE trail. The developer is not responsible for construction of the trail.

Code Authority: Chapter 6 PARCC Plan

Condition Applies: Final Plat

- o. Affordable Housing.** The Rose Hill West Subdivision shall demonstrate conformance with the Affordable Housing Regulations in RZC 21.20.050. An agreement in a form approved by the City must be recorded with the King County Recorder's Office to stipulate conditions under which the required affordable housing unit will remain as affordable housing for the life of the development. This agreement shall be a covenant running with the land, binding on the assigns, heirs, and successors of the applicant. Prior to the issuance of any building permit, the owner shall sign any necessary agreements with the City to implement these requirements. Applicant shall initiate contract by contacting Sarah Stiteler on Human Services and Long Range Planning staff at 425-556-2469 or at sstiteler@redmond.gov.

Code Authority: RZC 21.20.050

Condition Applies: Building Permit

- p. Inadvertent Discovery Plan** – A laminated copy of the City of Redmond Inadvertent Discovery Plan shall be required to be maintained at the project location at all times during respective construction. All project proponents and contractors will be made aware of the plan's location, purpose, and relevance, consistent with Federal and State laws regarding the protection, preservation, and response to cultural resources.

Code Authority: RZC 21.30.070.D

Condition Applies: Civil Construction & Building Permit

- q. Building Permit Submittal.** Items listed within the *Building Permit User Guide—Planning* shall be provided and remain code compliant at the time of building permit submittal. All tables, associated information, and submittal items shall be completed per the required formatting. The *Intake Requirements Overview and Signature Page*, Arborist Report (for in-fill lots), Tree Preservation Plan (for active plats), and a copy of the recorded final plat shall be provided to the PlannerOnCall@redmond.gov no less than TWO business days prior to permit application submittal. If these requirements are not met and provided at the designated time per the building permit application submittal, your submittal will be rejected.

B. Compliance with City of Redmond Codes and Standards

This approval is subject to all applicable City of Redmond codes and standards, including but not limited to the following:

Transportation and Engineering

RMC 6.36:	Noise Standards
RZC 21.52:	Transportation Standards
RZC 21.40.010(E):	Design Requirements for Parking Facilities
RZC 21.54:	Utility Standards
RMC 12.08:	Street Repairs, Improvements & Alterations
RMC 12.12:	Required Improvements for Buildings and Development
RMC 12.16:	Highway Access Management
RZC 21.76.100(F)(9)(c)	Nonconforming Landscaping and Pedestrian System Area
RZC 21.76.020(G):	Site Construction Drawing Review
RZC 21.76.020(H)(6):	Preconstruction Conference
RZC 21.76.020(H)(7):	Performance Assurance
RZC Appendix 3:	Construction Specification and Design Standards for Streets and Access
City of Redmond:	Record Drawing Requirements, July 2015

City of Redmond: Standard Specifications and Details (current edition)

Water and Sewer

RMC 13.04: Sewage and Drainage
 RMC 13.08: Installing and Connecting Water Service
 RMC 13.10: Cross-Connection and Backflow Prevention
 RZC 21.17.010: Adequate Public Facilities and Services Required
 RZC Appendix 4: Design Requirements for Water and Wastewater System Extensions
 City of Redmond: Standard Specifications and Details (current edition)
 City of Redmond: Design Requirements: Water and Wastewater System Extensions - January 2012.

Stormwater/Clearing and Grading

RMC 15.24: Clearing, Grading, and Storm Water Management
 RZC21.64.060 (C): Planting Standards
 RZC 21.64.010: Critical Areas
 RZC 21.64.040: Frequently Flooded Areas
 RZC 21.64.050: Critical Aquifer Recharge Areas
 RZC 21.64.060: Geologically Hazardous Areas
 City of Redmond: Standard Specifications and Details (current edition)
 City of Redmond: Stormwater Technical Notebook, 2012
 Department of Ecology: Stormwater Management Manual for Western Washington (revised 2005)

Fire

RMC 15.06: Fire Code
 RZC Appendix 3: Construction Specification and Design Standards for Streets and Access
 City of Redmond: Fire Department Design and Construction Guide 5/6/97
 City of Redmond: Fire Department Standards

Planning

RZC 21.58-21.62 Design Standards
 RMC 3.10 Impact Fees
 RZC 21.32, 21.72: Landscaping and Tree Protection
 RZC 21.34: Exterior Lighting Standards
 RMC 6.36: Noise Standards
 RZC 21.38: Outdoor Storage and Service Areas
 RZC 21.40: Parking Standards
 RCZ 21.64: Critical Areas
 RZC 21.48 Transfer of Development Rights (TDRs)

RZC Appendix 1:

Critical Areas Reporting Requirements

Building

2015 International Building Codes (IBCs)
2015 Uniform Plumbing Code
2015 International Residential Code (IRC)

DECIDED August 5, 2019.

By:



Sharon A. Rice
City of Redmond Hearing Examiner

Note: Type III decisions of the Hearing Examiner may be appealed to the King County Superior Court as provided in RZC 21.76.060.J.



Memorandum

Date: 10/19/2021
Meeting of: City Council

File No. AM No. 21-154
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Planning and Community Development	Carol Helland	425-556-2107
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DEPARTMENT STAFF:

Planning and Community Development	Ian Lefcourte, AICP	Planner
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TITLE:

Affordable Housing and 2022 ARCH (A Regional Coalition for Housing) Work Program and Budget

OVERVIEW STATEMENT:

A Regional Coalition for Housing (ARCH) was created in 1992 through an interlocal agreement of several Eastside cities and King County. ARCH assists member governments in developing housing policies, strategies, programs, and development regulations; coordinates the cities' financial support to groups creating affordable housing for low- and moderate-income households; and assists people looking for affordable rental and ownership housing. Each year, the City of Redmond reviews ARCH's annual budget and work program. The 2022 ARCH Work Program and Budget are required to be approved by each of the 16 member councils that are party to the Interlocal Agreement.

The proposed 2022 administrative budget request to Redmond is \$156,381, which represents a 27 percent (\$33,277) increase from the 2021 budget of \$123,104. The increase reflects the addition of two staff positions that will focus on local incentive program administration, portfolio monitoring, and administering new funding sources that were identified as necessary during a recent ARCH staffing capacity review effort.

The 2022 Work Program and Budget details are more fully provided for in **Attachment A**. The assessment of ARCH staffing capacity prepared by the Cedar River Group is included as **Attachment B**.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

- Receive Information
- Provide Direction
- Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Comprehensive Plan Housing Element: Provides a framework for housing goals, policies, and actions to address housing needs that advance the City's vision.

Housing Action Plan: Provides implementation strategies to address housing needs that advance the City's vision.

- **Required:**

The ARCH Interlocal Agreement of 1993 as amended in 2010 requires that the annual ARCH work program and budget be approved by each member council.

- **Council Request:**

N/A

- **Other Key Facts:**

This is an annual process with ARCH and associated member jurisdictions.

OUTCOMES:

ARCH supports housing across East King County communities through a cooperative approach and creates efficiencies in housing planning and affordable housing project development. ARCH collaborates with local members, including Redmond, to:

- Administer the Housing Trust Fund;
- Support proposals to acquire dedicated funding for affordable housing;
- Facilitate production of affordable housing;
- Steward affordable housing assets;
- Analyze affordable housing practices;
- Review legal decisions related to affordable housing;
- Develop measurable goals for production and preservation of affordable housing; and
- Manage select affordable housing programs and projects.

Further information is contained within **Attachment A**.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**

Annual process; must be approved before the end of the year.

- **Outreach Methods and Results:**

Opportunity for input through Council review process.

- **Feedback Summary:**

Any feedback provided to staff will be summarized and provided to Council.

BUDGET IMPACT:

Total Cost:

\$156,381 for the City of Redmond contribution to ARCH administrative budget.

Approved in current biennial budget:

Yes

No

N/A

Budget Offer Number:

000248 - Housing and Human Services

Citywide CIP - Housing Trust Fund - ARCH

Citywide CIP - Affordable Housing Alternative Compliance Fee in Lieu

Budget Priority:

Vibrant and Connected

Other budget impacts or additional costs: Yes No N/A

If yes, explain:

Refer to the Budget/Funding Constraints section below for budget balancing details.

Funding source(s):

General Fund
CIP

Budget/Funding Constraints:

The proposed 2022 administrative budget contribution from Redmond is \$156,381. This represents a 27 percent increase over the adopted 2021 administrative budget of \$123,104. The increase reflects the addition of two ARCH staff positions.

There are several factors contributing to the proposed increase.

1. The addition of two full-time employees to the ARCH staff. The quantity of projects with ARCH affordable units has continued to grow. These two new staff members will enable ARCH to more effectively monitor, manage, and report on a growing portfolio. These positions will focus on administering local incentive programs, monitoring the expanding portfolio of Housing Trust Fund investments, and assisting with administration of new funding sources, including new affordable housing sales tax resources. Redmond would benefit greatly from these additions, as Redmond has one of the largest ARCH portfolios. Refer to the assessment of ARCH staffing capacity prepared by the Cedar River Group that is included with this memorandum as **Attachment B**.
 - a. Revenue from new administrative fees is used to free-up funds for one of the new positions. A new tier of member dues is created to cover the second new position. These dues are allocated to the member cities that utilize ARCH for incentive program administration. Redmond, Kirkland, and Bellevue are the member cities that utilize these services the most.
 - b. Historically, staff capacity has not grown sufficiently to keep up with member's needs and requests. New staff capacity is essential to catch up on longstanding shortages and meet member's most pressing existing and near-term needs.
2. There was no budget increase from the 2020 budget to the 2021 budget due to the COVID pandemic. Some increases to the administrative budget that would ordinarily occur in 2021 were deferred to 2022.

The Redmond portion of ARCH administrative budget is funded from the PCD operating budget and the CIP. The money for the increased budget contribution will come from salary savings in the PCD operating budget and CIP Housing Trust Funds allocated to ARCH to support both operational and capital expenses. The 2021-22 salary savings are from various open positions and transitions since the beginning of the biennium. Allocating salary savings to the 2022 ARCH administrative budget will not impact the ability of the Planning Department to fill open positions during this biennium.

Affordable Housing Alternative Compliance Fee-in-Lieu funds will be used to replenish the ARCH Housing Trust Fund monies needed to cover this additional budget expense.

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
10/12/2021	Committee of the Whole - Planning and Public Works	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

ARCH requests the timely approval of the 2022 ARCH work program and budget by the end of 2021.

ANTICIPATED RESULT IF NOT APPROVED:

If not approved, ARCH will not have Redmond funds to contribute to ARCH operations and implementation of its work program, and Redmond would need to create new staff capacity to monitor its growing affordable housing portfolio.

ATTACHMENTS:

- Attachment A - ARCH Memo to Councils - 2022 ARCH Budget and Work Program
- Attachment B - ARCH Assessment Cedar River Final Report 2021

MEMORANDUM

Date: September 7, 2021

From: Lindsay Masters, ARCH Executive Manager

To: ARCH Member Councils

Subject: ARCH 2022 Budget and Work Program, and Trust Fund Parity Goals

Please find attached the 2022 ARCH Budget and Work Program, which was adopted by a unanimous vote of the ARCH Executive Board in June of 2021. This memo provides an overview of the final budget and work program, including a description of the assessment conducted by Cedar River Group to inform the Board’s decision-making. The memo also shares the Board’s recent discussion regarding regional Parity Goals for local investment in affordable housing.

Review of ARCH Capacity and Work Program Growth

Early in 2021, ARCH engaged consulting firm Cedar River Group to help the Executive Board through an in-depth assessment of ARCH’s current organizational capacity, and growth in the organization’s work program over time. This opportunity was made possible through a grant intended to explore options for other north and east King County cities to join ARCH, or form new types of housing partnerships.

Cedar River Group has since prepared a detailed report, which is attached to this memo. Their report offers the following conclusions:

- There is a dramatic need for more housing – specifically affordable housing – and the need is growing.
- ARCH has a proven record of building affordable housing, helping cities implement best policies, and maintaining those assets over time.
- ARCH is well-regarded by member cities, outside stakeholders and developers.
- Staff capacity has not grown sufficiently to keep up with member’s needs and requests.
- New staff capacity recommended by the ARCH Board is essential to help catch up with longstanding shortages and meet members’ most pressing existing and near-term needs. However, even with this capacity, the need for ARCH’s services will likely continue to outstrip capacity, given the anticipated growth in the work program, and potential requests from other north and east King County cities.

ARCH MEMBERS

Eastside cities are increasingly taking actions to respond to the growing need for affordable housing, and ARCH expects that momentum to continue building. Recent actions taken by ARCH members include: Kirkland's zoning changes to reduce barriers to building ADUs, duplexes and triplexes in single family zones; Bothell's adoption of a Multifamily Tax Exemption (MFTE) program; Bellevue's expansion of its existing MFTE program; thirteen member cities' adoption of a local affordable housing sales tax; and Redmond and Kirkland's use of fee in lieu funds to support major local affordable housing developments. In the next two to three years, cities will also undertake Comprehensive Plan Updates that present pivotal opportunities to accommodate and shape new housing.

2022 Administrative Budget and Work Program

The final recommended 2022 ARCH Administrative Budget and Work Program are shown in **Attachments 1 and 2**. Following are highlights from each document.

Administrative Budget Highlights

- **Two new staff positions** are included to address gaps in current staff capacity. These positions 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. These dues are allocated to the member cities that utilize ARCH for incentive program administration.
- 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.

Work Program Highlights

ARCH's Work Program continues to maintain core services in five key areas: affordable housing investment, housing policy and planning, housing program administration, education and outreach, and general administration.

The Board established the following priorities for ARCH's Work Program in 2022:

- **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

While ARCH is continuing to expand its services and capacity to meet members' needs, our organization also remains committed to efficient and effective administration made possible by the pooling of local resources.

Housing Trust Fund Contributions / Parity Goals

Each year, ARCH member cities are encouraged to contribute on a voluntary basis toward the ARCH Housing Trust Fund, a foundational program in East King County that has produced more affordable housing than any other program. ARCH members have utilized "Parity Goals" to establish a set of investment goals for each member cities' voluntary contribution, allocating a total goal across communities based on local population, housing and job targets. The last set of 2020 goals ranged from a collective total of \$1.9 to \$3.9 million.

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.

In recent years, ARCH cities have collectively exceeded these goals, with an average annual contribution of \$6.4 million in the last five years. Contributions in 2020 reached an all-time high, with significant one-time funding coming from Kirkland and Redmond. At the same

time, the cost of acquiring land and developing housing in East King County has also increased rapidly, while competition for housing resources at the state and local level has been increasing.

In June, the ARCH Executive Board discussed a potential change in the method of calculating parity goals to reflect the significant real estate appreciation occurring in East King County. This change would have the effect of raising the collective goal closer to recent contribution levels. However, **the Board did not come to a consensus on a final set of parity goals for 2021**, committing to engage ARCH members on the topic more deeply at a later date.

Currently, ARCH is preparing to receive applications for our current \$5 million funding round, which for the first time includes pooled contributions of most members' affordable housing sales tax revenues authorized under HB 1406. In addition, we are assisting the City of Bellevue with a Request for Proposals offering \$6 million in sales tax funds for projects located in Bellevue. We are excited to continue building on our track record of carefully vetting local proposals, leveraging local resources ten to one, and successfully executing on financing that results in meaningful new housing opportunities on the Eastside.

Conclusion

As the disparate impacts of the pandemic continue to ripple deeply through the community, our work to provide safe, decent and affordable housing has become only more urgent. The coming year will be another important step for ARCH to continue growing our capacity to serve the community, and finding ways to magnify our impact. We look forward to opportunities to engage with you, as the ARCH Board prepares for a broader strategic planning process. Thank you for your continued support and commitment to affordable housing.

Attachments:

1. 2022 ARCH Administrative Budget
2. 2022 ARCH Work Program
3. Analysis of ARCH Staff Capacity and Options for Meeting Members Affordable Housing Needs (Cedar River Group, September 2021)

2022 ARCH Administrative Budget

Final Recommended Budget June 2021

	2021 Budget	Final 2022 Recommended Budget	
	2021 Approved Budget	2022 Recommended Budget	% Change
I. TOTAL EXPENSES	\$ 1,155,261	\$ 1,490,462	29%
A. Personnel	\$ 1,039,302	\$ 1,307,088	26%
Salary and Benefits - Existing Staff	\$ 1,039,302	\$ 1,047,088	0.7%
Salary and Benefits - Potential New Staff		\$ 260,000	
Incentive Programs Administrator		\$ 130,000	
HTF/Loan Program Officer		\$ 130,000	
B. Operating	\$ 76,456	\$ 86,394	13.0%
Rent & Utilities	\$ 24,780	\$ 24,780	
Telephone	\$ 5,500	\$ 6,145	
Travel/Training	\$ 2,730	\$ 2,600	
Auto Mileage	\$ 3,605	\$ 3,000	
Postage/Printing Costs	\$ 3,468	\$ 2,500	
Office Supplies/Furnishing	\$ 3,255	\$ 4,353	
Internet/Website Fees	\$ 2,326	\$ 3,090	
Periodical/Membership	\$ 4,317	\$ 11,400	
Misc. (events,etc.)	\$ 2,100	\$ 2,000	
Equipment Replacement	\$ 3,000	\$ 7,000	
Database/software licensing	\$ 18,375	\$ 19,526	
Relocation Costs	\$ 3,000	\$ -	
C. In-Kind Admin/Services	\$ 19,503	\$ 26,980	38%
Insurance	\$ 9,660	\$ 15,000	
IT Services	\$ 9,843	\$ 11,980	
D. Grants and Consultant Contracts	\$ 20,000	\$ 70,000	250%
Consultant Contracts	\$ 20,000	\$ 20,000	
Special Projects/Programs - RAHTF Support		\$ 50,000	

**2021 Approved
Budget**

2022 Recommended Budget

**%
Change**

	City Per Capita \$1.98 KC Per Capita \$0.93		City Per Capita \$2.04 KC Per Capita \$1.70	Add'l \$0.32 Per Capita	
II. TOTAL INCOME	\$ 1,155,261	\$1,490,462			29%
		TOTAL	BASE	ADD'L	
A. Member Contributions	\$ 1,103,897	\$1,334,162	\$1,204,162	\$130,000	21%
Beaux Arts Village	\$ 2,000	\$2,060	\$2,060		3%
Bellevue	\$ 281,876	\$344,457	\$293,949	\$50,508	22%
Bothell	\$ 89,384	\$93,127	\$93,127	\$0	4%
Clyde Hill	\$ 6,551	\$6,777	\$6,777		3%
Hunts Point	\$ 2,000	\$2,060	\$2,060		3%
Issaquah	\$ 72,244	\$90,561	\$77,282	\$13,279	25%
Kenmore	\$ 44,921	\$49,257	\$46,257	\$3,000	10%
Kirkland	\$ 175,946	\$213,344	\$182,061	\$31,283	21%
Medina	\$ 6,523	\$6,650	\$6,650		2%
Mercer Island	\$ 50,222	\$55,264	\$52,264	\$3,000	10%
Newcastle	\$ 23,006	\$26,918	\$23,918	\$3,000	17%
Redmond	\$ 123,104	\$156,381	\$133,451	\$22,930	27%
Sammamish	\$ 127,494	\$134,651	\$131,651	\$3,000	6%
Woodinville	\$ 23,673	\$25,207	\$25,207	\$0	6%
Yarrow Point	\$ 2,401	\$2,447	\$2,447		2%
King County	\$ 75,000	\$125,000	\$125,000		67%
Bellevue Detail	\$ 281,876	\$ 344,457			22%
Cash Contributions	\$ 86,173	\$ 141,353			
In-Kind Contributions	\$ 195,703	\$ 203,103			
Personnel	\$ 176,200	\$ 176,123			
Insurance	\$ 9,660	\$ 15,000			
IT Services	\$ 9,843	\$ 11,980			
B. Other Income	\$ 51,364	\$ 156,300			204%
Homeownership Program Fees	\$ 45,064	\$ 150,000			
Existing Administrative Fees	\$ 4,200	\$ 4,200			
Interest Earned	\$ 2,100	\$ 2,100			

III. RESERVES, CONTINGENT INCOME AND EXPENSES

Note: This section expresses intended use of any excess revenues above levels needed to cover basic operating costs.

A. Contingent Expenses

Replenish operating reserves	\$ -	\$ -			
Staffing/Administrative Expenses	\$ 150,000	\$ 150,000			0%
Other Staffing/Services	\$ 150,000	\$ 150,000			0%

B. Contingent Revenue

Excess Administrative Fees	\$ 150,000	\$ 150,000			0%
Service Fees	\$ 150,000	\$ 150,000			0%

ARCH WORK PROGRAM: 2022

2022 Priorities

In 2022, ARCH will elevate the following priorities in its Work Program:

- 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

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 Citizen 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.

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.

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. Special Projects

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.

Eastside Shelter Capacity. Support efforts by Eastside shelter providers, Eastside Human Services Forum, and member cities to implement an East King County sub-regional strategic approach to shelter and related services for homeless adults and families. Support the construction of a permanent year-round men's shelter, and support efforts by member jurisdictions to fund long-term operations of shelter for men, women, families, youth and young adults.

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 and financial efficiency 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 Plans.** Assist members to prepare housing strategies to implement housing elements and create council work plans. Cities with recently completed strategy plans include Bellevue, Issaquah, Kenmore, Bothell, Kirkland, Redmond, and Sammamish.
- **Incentive Program Design.** Provide economic analysis and policy and program development support to design housing incentive programs, including land use, property tax, impact fee waivers and other incentives.
- **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, 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.

Eastside Equitable Transit-Oriented Development Plan. Partner with transit agencies and other stakeholders to plan for equitable transit-oriented development on the Eastside. Define shared policy goals and strategies, establish numerical goals for affordable unit production, advance specific site opportunities and manage the affordable housing funding pipeline.

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, 0.1% 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.

Eastside Housing Data Analysis. 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.

Housing Diversity/Accessory Dwelling Units (ADUs). Continue to support a diversity of housing options among member cities:

- “Missing Middle” Housing: Facilitate sharing of best practices for encouraging a greater diversity of housing types in single family/low density neighborhoods, including duplexes, triplexes, etc.
- Accessory Dwelling Units (ADUs): Explore outreach and other ways to promote ADU development (e.g., improve online resources, provide connections to financing options, adopt pre-approved plans, etc.). Explore partnership with eCityGov Alliance to increase accessibility of ADU permitting (e.g., update tip sheets and create streamlined portal through MyBuildingPermit.com). Explore a centralized system for tracking ADU production.
- Help jurisdictions develop strategies and codes to address emerging housing types, like micro-housing, small efficiency dwelling units, and others.

C. State Legislative Activities

The ARCH Executive Board will discuss and explore shared legislative priorities for advancing affordable housing in the region. ARCH staff will track relevant state (and, where feasible, federal) legislation. 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).

Regional Affordable Housing Task Force Action Plan. In addition to staffing the GMPC committee, pursue other opportunities to advance strategies called for in the RAHTF Action Plan. Facilitate discussions as needed with members and the Executive Board to consider actions recommended in the five-year plan.

King County Regional Homelessness Authority / Eastside Homeless Advisory Committee (EHAC). Play a role 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. Coordinate allocation of resources, and work on specific initiatives (e.g., coordinated entry and assessment for all populations).

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.

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.
Issaquah	Development agreements, voluntary and inclusionary programs, impact and permit fee waivers.
Kenmore	Voluntary density bonuses, MFTE, impact fee waivers.
Kirkland	Inclusionary program, MFTE.
Mercer Island	Voluntary density bonus, MFTE.
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:

- 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).

Coordinate Shared Policy, Program and Procedure Improvements. Work with member city staff and legal counsel to align incentive and inclusionary programs with a unified set of policies, practices and templates for legal agreements. Coordinate changes across member jurisdictions to adapt programs to new knowledge and best practices (for example, implementing fee strategies to create sustainable revenue for monitoring).

MyBuildingPermit.com. Explore feasibility of using MyBuildingPermit.com to take in, review, and process projects (covenants) using land use and/or MFTE programs.

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. Ensure ongoing compliance with affordability and other requirements, including enforcement of resale restrictions, buyer income requirements, and owner occupancy requirements. Implement adopted policies and procedures for monitoring and work with cities to address non-compliance.

Continue to implement long-term recommendations in the 2019 Program Assessment from Street Level Advisors and make other program 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.
- Implement program fees to ensure program financial sustainability

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.

IV. EDUCATION AND OUTREACH

A. Housing 101/Education Efforts

Housing 101. Develop educational tools and conduct or support events to inform councils, 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 to occur no later than the end of 2021.

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.

~~Share media coverage on topics related to affordable housing in East King County, including work done by cities/ARCH.~~

B. Information and Assistance for the Public

ARCH Website. Update information on the ARCH website on a regular basis, including information related to senior housing opportunities. Maintain the ARCH web site and update the community outreach portion by incorporating information from Housing 101 East King County, as well as updated annual information, and links to other sites with relevant housing information (e.g. All Home, HDC). Add information to the website on ARCH member affordable incentive programs and fair housing.

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. Pursue strategies 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 performance and work program progress reports, Trust Fund monitoring reports, and monitor expenses to stay within budget.
- Manage the ARCH Citizen 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 2022, ARCH will outline a strategic planning process to be initiated by 2023 that will establish a shared framework for the organization's mission, values and work program going forward.

*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:

- 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 initial and 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.

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).

Bothell

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

Complete implementation of an MFTE program; develop boilerplate agreements and procedures for ongoing monitoring.

Support affordable housing opportunities in the Downtown/Canyon Park GDC overlay areas, such as any proposals for affordable housing on the Civic Center property or other city-owned property.

Evaluate affordable housing incentives such as parking reductions, 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.

Issaquah

Assist with preparing the annual Affordable Housing Report Card/Analysis.

Support updates and consolidation of Title 18 and Central Issaquah Development and Design Standards. Review the affordable housing chapter to evaluate the efficacy of existing policies, and potentially revisit density bonus provisions.

Support reporting on the current Housing Strategy, and potentially further updates to the Housing Strategy.

Help to evaluate and, as needed, implement development standards and regulations related to the housing policies adopted in the Central Issaquah Plan and Central Issaquah Standards, including inclusionary zoning.

Help to evaluate potential projects/opportunities that arise under current or amended Development Agreements.

Coordinate marketing efforts to maximize awareness of affordable housing opportunities in Issaquah.

Support implementation and funding of the city's TOD project.

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 a housing assessment/background information and statistics.

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 partners and financing strategies.

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

Kirkland

Continue to support efforts to create affordable housing within a transit-oriented development at the Kingsgate Park and Ride.

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.

Assist with scoping and stakeholder discussions of a potential affordable housing levy.

Assist with implementing programs to encourage construction of more ADUs, such as pre-approved ADU plans.

Evaluate housing-related issues in ongoing neighborhood plan updates, such as Moss Bay and Everest.

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

Mercer Island

Assist with scoping and data collection for an update to the City's Housing Strategy, as requested.

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.

Assist with scoping and stakeholder discussions regarding potential opportunities to increase revenue options to support affordable housing, and help with advocacy for expanded funding options.

Help evaluate programmatic approaches to support greater affordable homeownership opportunities.

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

Support City efforts to identify suitable projects for preservation as a mechanism to advance affordable housing objectives.

Sammamish

Assist with data and scoping for a housing needs analysis, and review draft housing policies and goals for the City's Comprehensive Plan Update.

Assist with development of incentives within Phase 3 development regulations to encourage greater housing diversity.

Help explore development of educational or promotional materials to encourage developers and property owners to consider more diverse housing types, such as duplexes.

As opportunities arise, support development of affordable homeownership options like the Sammamish Cottages developed by Habitat for Humanity.

Woodinville

Provide advice on scope and data collection in support of the City's efforts to adopt a Housing Strategy 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.

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



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

September 2, 2021

Prepared by: Cedar River Group

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Executive Summary

Building more housing – and specifically more affordable housing – is an urgent and growing challenge for cities. To address this challenge, East King County cities have worked together for nearly 30 years through A Regional Coalition for Housing (ARCH) and have a proven track record of building and preserving affordable housing across the eastside. Other cities in north and east King County are exploring how to increase affordable housing capacity, including the possibility of joining ARCH. However, before that option can be evaluated, the ARCH Board wanted to know: ***What is ARCH’s existing capacity to meet the current and near-term affordable housing needs of its current members?*** This study provides that analysis by reviewing data and regional growth trends, ARCH’s accomplishments, its current work plan, trends in ARCH workload and staffing capacity, and interviewing ARCH members, ARCH staff and housing developers.



The study concludes with options, conclusions and recommendations for ARCH staffing to effectively meet the needs of its current members.

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

The Puget Sound area has gone through tremendous recent population and economic growth. In the past decade, King County with a net increase of 321,000 people was the third fastest growing county in the country, and jobs – particularly high-paying jobs – have grown even faster. The Puget Sound Regional Council (PSRC) predicts another 1.8 million residents and 1.2 million jobs coming to the Puget Sound region by 2050.

Fundamentally, housing production – especially of affordable housing – has not kept up with the area’s growing economy and population. While adding 12 percent more population and 21 percent more jobs, King County has only added 8 percent more houses. In addition, a study found that over the past 10 years, as King County added 67,000 new rental units, it lost more than 112,000 units of housing affordable to those living below 80 percent Area Median Income (AMI).

These factors have combined to leave an estimated 124,000 households severely cost-burdened in King County (paying over 50% of income on housing), with the vast-majority being households at 0 to 30% AMI, and close to 60% renters. Not surprisingly, the burden falls disproportionately upon Black, Indigenous, and People of Color. Households that are American

Indian and Alaskan Native, or Black are roughly twice as likely to be severely cost burdened as White households.

There are new resources and opportunities to face these growing challenges. Local cities have used new authority to create dedicated funding for affordable housing. Local employers have committed new funding resources to affordable housing and local light rail expansion creates new transit-oriented development opportunities. The new State budget includes almost \$300 million for the Housing Trust Fund. And the American Rescue Plan includes billions to help create affordable housing, with more funds possibly available in the pending infrastructure bill.

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

In the nearly thirty years ARCH has been in existence, its members have achieved a lengthy list of accomplishments. The following provides a brief description of just some of the ARCH's accomplishments:

- Produce or preserve 5,166 units of affordable housing by raising nearly \$80 million for the Housing Trust Fund and leveraging more than \$880 million in other funding.
- Helped ten member cities adopt local incentive or inclusionary programs for developers, including six cities who have offered property tax exemptions. These programs and incentives have yielded more than 2,800 additional affordable units built or in development.
- Established monitoring systems and procedures to ensure continued affordability of units, and compliance with loan terms and conditions.
- Worked on more than 50 policies, plans, code amendments, or regulations for cities, geared toward creating more affordable housing units.
- Created a single point of contact for developers interested in creating affordable units in eastside cities and serves as a central portal for homebuyers and renters looking for affordable homes.
- Supported hundreds of low and moderate income households to achieve homeownership, with ARCH homes creating over \$90 million in appreciation for owners.
- Regularly provides information, education and updates for elected and appointed officials.

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

In interviews with member cities, stakeholders, and staff, there was widespread agreement that ARCH is doing well at leveraging member resources to achieve results, administering existing programs (with some known gaps), and raising awareness about the need for affordable housing.

Developers echoed these sentiments – viewing ARCH as a good partner that helps developers navigate local processes and work effectively with city staff where projects are located. ARCH was also viewed as an important funder who is comparatively easy to work with and whose initial money helps bring other dollars to projects. Most concerns expressed by developers were structural: ARCH’s limited resources limit their impact, and their governance by multiple cities limits their flexibility and their ability to advocate.

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

While there has been some recent growth in staff to address the monitoring of affordable units, interviews and analysis of ARCH’s staffing trends and workload show that staff capacity has not grown with the increase in demands from member cities.

Overall staffing: When ARCH was created, 2.5 FTE were hired to provide support to the original 4 member jurisdictions and to manage the Housing Trust Fund. As ARCH membership increased to 16 cities, the number of FTE’s increased to 5 FTE by 2008, where it remained until 2019.

Monitoring & reporting: In 2019, two FTE were added to address the needs of monitoring rental and home ownership units. These hires help meet current obligations for compliance and monitoring, but new units are being added quickly. Keeping a proper staff to unit ratio may ultimately require additional FTE.

Housing Trust Fund: Since 1993 the number of projects funded by the Trust Fund has averaged 4 per year, but the trust fund’s ever-growing portfolio (over 100 contracts) requires more active monitoring than the current one FTE can provide. In addition, the trust fund work is facing increasing demands from both growing opportunity (new funding sources, new TOD sites, more special projects) and growing complexity (higher loan amounts, use of multiple funding sources.)

Planning and programs: In ARCH’s first twenty years (through 2011), ARCH staff completed 26 planning activities for member. There were 91 development projects with city affordable housing incentives or requirements. In the past 9 years, ARCH staff have completed 56 planning activities and there were 111 projects created through local incentives or requirements. Despite this growth, ARCH has not added additional planning capacity since one FTE was created in 2002. Upcoming requested work will place still greater demands on the staff capacity for ARCH.

Additional work items: In conversations with ARCH members and staff and after a review of the ARCH workplan, a number of items were identified that are not getting completed, including:

- Proactive monitoring of project financial sustainability (cash flow, vacancy rates, maintenance needs) for developments created using ARCH funds
- More support implementing cities Housing Strategies / Housing Action Plans
- Providing proactive policy development, planning, research and best practices work

- Conducting Housing 101 and educational/outreach work with elected and appointed officials
- Making affordable housing accessible to diverse communities.
- Updating administration and systems, including implementing new monitoring fees, revising rental covenant documents, and updating internal tracking technology.

Conclusions and Recommendations

Overall Assessment: Member cities clearly value ARCH for the affordable units created and the range of services and supports provided. However, there is demand among ARCH members for creating more affordable units and for additional technical assistance in creating affordable housing policies and programs.

ARCH Work Plan Needs: Based on the interviews with member cities, and discussions with the ARCH Board, the following themes emerged regarding ARCH’s annual work plan, and the needs and interests of members.

- All ARCH cities will rely on ARCH staff for support with Comp Plan Updates and tracking data to comply with Countywide Planning Policies (CPP) reporting requirements.
- Several cities are counting on ARCH support to implement actions from their housing strategy, to facilitate TOD projects or other special projects.
- Some cities had aspirational ideas about expansion of ARCH’s services/role: e.g. facilitating collaboration on homelessness policy/practice, proactive encouragement of best practices.
- In general, smaller jurisdictions with little or no planned growth will not use ARCH for planning services.

Staff Capacity and Staffing Trends: Staff from member cities agreed that ARCH staff are fully utilized and have no additional capacity for new work requests. ARCH staffing has stayed relatively flat, even as the workload has grown.

Revenue Opportunities: There is an opportunity to utilize some existing revenue sources to increase staff capacity. ARCH now has a sustainable source of income from home ownership program fees to support 1 FTE. In addition, King County has expressed a willingness to increase its contribution to ARCH annual operations.

Executive Board Recommendations

Phased Approach to Adding New Staff Capacity: Balancing the different needs expressed by member cities, and the budget challenges facing many cities, the Executive Board recommended a phased approach to increasing staffing.

In 2022, current member dues from all jurisdictions should be used to support the 2021 base staffing level, and new revenue should be used to support two new full time ARCH staff positions:

- A Program Officer working on the Housing Trust fund (paid for from membership dues which would be offset by home ownership fees), and
- An Incentives Program Administrator (paid for by a new tiered-dues structure – see below)

In 2023 one additional position should be added:

- A Housing Programs, Special Projects Manager

Use New Revenues and Create a New Tiered Dues Structure Based on the Level of Program Activity: The Program Officer can be paid for with existing fee revenues that have been collected by ARCH. The Incentive Program Officer presents an opportunity for ARCH to implement a tiered dues structure based on the number of projects each city has in their incentive program. (See Chapter 8 for further details about the tiered structure.)

Conclusion

The changes proposed by the Board are essential actions to help ARCH staff capacity catch-up with long-standing shortages in staffing and meet member's most pressing existing and near-term needs.

This new capacity will make a significant difference, but the need for ARCH's services will likely continue to outstrip capacity, given the anticipated growth of the work program, and potential future requests from other cities in north or east King County to join ARCH.

Finally, there are structural tensions within the organization that were not possible to address in this evaluation (such as the desire from external stakeholders for us to be stronger advocates, or the disparate level of commitment to housing across our member councils). A strategic planning process is needed in 2022 that can address these and other pressing issues outside the normal course of operations and budget cycles.

Introduction



In east King County and across the entire Puget Sound region, building more housing – and specifically more affordable housing – is an urgent and growing challenge for cities. Housing costs in the central Puget Sound region are some of the highest in the country – for both renters and home buyers. Even through the pandemic, housing costs remained at historic highs.

In the face of these challenges, many cities in King County (and elsewhere) have found value in sharing staff and funding resources in an

organized collaboration. For nearly 30 years, East King County cities have worked together through A Regional Coalition for Housing (ARCH) and have a proven track record of building and preserving affordable housing across the eastside. The ARCH model has been so successful that it is now being replicated in South King County and Pierce County.

Over the years, ARCH member cities have found that there are challenges both for developers hoping to construct more affordable homes and for the cities that want more affordable units in their community. In recent years one of the challenges that everyone faces is rapidly escalating costs – the rising costs of land, construction materials, labor, planning. Developers must also navigate the individual zoning restrictions, building codes, permitting processes, and affordable housing incentives or requirements for each city to find a suitable location to efficiently build a project that meets both the future tenants’ needs and is supported by the community. At the same time, cities have been exploring, and adopting, strategies to increase affordable development and preservation, including expedited permitting, local zoning or other land use incentives or requirements, and new funding sources for the ARCH Housing Trust Fund.

To successfully build affordable housing requires willing and supportive elected leadership; a suitable site with the right zoning and location; a variety of funders; and skilled technical knowledge to help cities facilitate both the building and financing of affordable units. This combination asks a lot of local cities and their staff. ARCH staff have provided housing-specific technical assistance and support for its members, that many cities do not have the capacity to create on their own.

Purpose of Study

As the need for more affordable housing increases in every community, those cities that are part of the ARCH collaboration are exploring how they can create more affordable housing, and those cities who are not ARCH members are considering their options for strengthening their work on affordable housing.

In the King County 2019-2020 biennial budget, funding was approved to examine how cities that are not currently ARCH members may collaborate more effectively with one another. There are currently two cities – Shoreline and Lake Forest Park – in north King County that are outside of the ARCH service area (referred to as the “ARCH Sphere of Influence”). There are also several cities in east King County that are located within the ARCH service area that are not ARCH members – Carnation, Duvall, North Bend, and Snoqualmie.

One of the options being considered by several of those cities in north and east King County is the possibility of joining ARCH. However, before that option can be evaluated, the ARCH Board requested an analysis of ARCH’s existing capacity to meet the affordable housing needs of its current members. This study provides that analysis by reviewing data and regional growth trends, ARCH’s accomplishments, its current work plan, trends in ARCH workload and staffing capacity, and interviewing ARCH members, ARCH staff and housing developers.

The study concludes with recommendations for ARCH staffing to effectively meet the needs of its current members.

Landscape Analysis

A number of factors influence both the need and opportunities for affordable housing units in ARCH member cities. The following provides a description of several of the strongest influencing factors.

Rapid Regional and Local Growth in Population and Jobs

Rapid Population Growth: The Puget Sound area has gone through tremendous recent growth. In the past decade (2011- 2020), King County had a net increase of 321,000 people, and was the third fastest growing county in the country – increasing in population by 12 percent.^{1 2} And much of that growth was centered in the Eastside. Looking at either absolute population growth or growth rate, 7 of the top 25 fastest growing cities in the Puget Sound region were Eastside cities (although annexation accounted for some of that growth).³ And with this growth, the Eastside has become more diverse – both Bellevue and Redmond have become over 50% people of color – including significant increase in Asian, Hispanic and multiracial populations.⁴ This growth is projected to continue – with Puget Sound Regional Council (PSRC) predicting another 1.8 million residents coming to the four-county region by 2050.⁵ The population growth has created unprecedented demand for available housing units.



Even Faster Economic Growth: This growth in population has been matched with tremendous economic growth. Large employers, particularly those focused in technology, along with smaller companies, have helped drive the local growing economy, and fueled a growth in high-paying jobs. In fact, jobs grew even faster than population – in the past decade, the number of jobs in King County grew by 21 percent.⁶ The result has been a steady growth in income – from 2000 to 2018, King County’s median household income increased from \$53,157 in 2000 to \$95,009 in 2018, an increase of over 78%.⁷ Some significant portion of that rise in income is driven by the information and technology sector in two ways. First – the new jobs and new households were

¹¹ <https://www.seattletimes.com/seattle-news/data/king-county-had-decades-third-largest-population-growth-among-u-s-counties>

² <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/why-does-prosperous-king-county-have-a-homelessness-crisis#>

³ <https://www.psrc.org/sites/default/files/trend-population-202010.pdf>

⁴ <https://www.heraldnet.com/northwest/decade-in-demographics-top-5-changes-in-the-seattle-area/>

⁵ https://www.psrc.org/sites/default/files/2050_macro_forecast_web.pdf

⁶ <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/why-does-prosperous-king-county-have-a-homelessness-crisis#>

⁷

<https://kingcounty.gov/independent/forecasting/King%20County%20Economic%20Indicators/Household%20Income.aspx>

disproportionately higher-income: “Sixty percent of the new households in King County between 2006 and 2016 earned \$125,000 or more per year, while 18 percent earned less than \$50,000,” Second - the wages for these new information jobs grew at a faster rate: “[between 2005 and 2018], average annual wages for an information worker increased 127%.”⁸ As with population, the growth in jobs is projected to continue – with average annual predicted 1.3 percent growth leading to another 1.2 million jobs coming to the Puget Sound region by 2050.⁹

Changes in Housing

Falling Behind on Housing: Fundamentally, housing production – especially of affordable housing – has not kept up with the area’s growing economy and population. While adding 12 percent more population and 21 percent more jobs, King County has only added 8 percent more houses. Looking at the Puget Sound region: for every 1 new housing unit, the region added 3 new residents (2010 to 2019) and 4 new jobs (2010 to 2016).¹⁰ The types of housing has changed to try and meet the new demands. While production of single-family homes has remained relatively steady at 6,000 – 8,000 per year, multi-family housing has shown tremendous growth in the Puget Sound. In 2010, less than 5,000 homes were in multi-family developments; in 2019, almost 20,000 new homes were built in multi-family developments.¹¹

And in addition to the challenges stemming from new production failing to keep pace with the new demand, the region is also losing previously affordable housing units. McKinsey & Company found that over the past 10 years, as King County added 67,000 new rental units, it lost more than 112,000 units of housing affordable to those living below 80 percent Area Median Income (AMI). The McKinsey study cited the two largest drivers as: rents on units rising faster than incomes and lower-cost units being demolished to make way for more expensive units.¹²

The Net Result – A Squeeze on Housing: As a result of these factors, the cost of homeownership and rental have risen dramatically in the area. Just recently, *the Seattle Times* reported that for November, the year over year price for Seattle-area homes grew by 12.7 percent, the second highest growth in home prices in the nation.¹³ And this is not new – the King County Regional Affordable Housing Task Force Final Report cites that in King County “from 2012 to 2017, median home sale prices increased 53 percent and average rents increased 43 percent.”¹⁴ For east King County, the average cost of either homeownership or renting an apartment now exceeds the cost-burden thresholds for even a family earning 100 percent of area median

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<https://kingcounty.gov/independent/forecasting/King%20County%20Economic%20Indicators/Household%20Income.aspx>

⁹ https://www.psrc.org/sites/default/files/rhna_early_findings_20201009_stakeholder_event.pdf

¹⁰ https://www.psrc.org/sites/default/files/rhna_early_findings_20201009_stakeholder_event.pdf

¹¹ https://www.psrc.org/sites/default/files/rhna_early_findings_20201009_stakeholder_event.pdf

¹² <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/why-does-prosperous-king-county-have-a-homelessness-crisis#>

¹³ <https://www.seattletimes.com/business/real-estate/seattle-home-prices-still-climbing-at-second-fastest-rate-in-nation/#>

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https://www.kingcounty.gov/~media/initiatives/affordablehousing/documents/report/RAH_Report_Final.ashx?

income.¹⁵ As of 2018, the median purchase price of a home in East King County was \$813,000,¹⁶ corresponding to an income of over \$125,000 needed. As of October 2020, the average rent for most Eastside cities was over \$2,000 a month, requiring a median income of over \$80,000 to avoid being cost-burdened.¹⁷

A Growing and Inequitable Number of Cost-burdened Families: Households that spend more than 30% of their income on housing are considered “cost-burdened,” and “severely cost-burdened” if spending more than 50% of their income on housing. In King County, it is estimated that over 124,000 households are severely cost-burdened, with the vast-majority focused at 0 to 30% AMI, and close to 60% of those being renters. Not surprisingly, the burden falls disproportionately upon Black, Indigenous, People of Color (BIPOC) communities: households with head of households who are American Indian and Alaskan Native or Black are roughly twice as likely to be severely cost burdened as White households.¹⁸ Across the county (as of 2015), 45% of renters and 29% of homeowners were cost-burdened (including severely-cost burdened). On the Eastside, 36% of renters and 29% of homeowners were cost-burdened or severely cost-burdened.¹⁹

New Growth, New Funds, New Opportunities

The Eastside has new resources and opportunities for Affordable Housing: As the issue of affordable housing has exploded into a local, regional, statewide and even national issue, more resources are emerging to support affordable housing. Two recent state measures (HB 1406 & HB 1590) have created dedicate funding streams for cities and counties to work on affordable housing. Large local employers, most notably Microsoft and Amazon, have both made recent national news with commitments to funding more affordable and middle-income housing. Regionally, the new expansion of light rail to the Eastside creates new, important locations for equitable transit-oriented development. At the State level, the 2021- 2023 budget includes \$175 million for the Housing Trust Fund and an additional \$120.9 million in investments in housing and shelters. And nationally, this spring’s American Rescue Plan includes an allocation of nearly \$5 billion in funds to help communities across the country create affordable housing, and more funds may be available in the pending infrastructure bill.

In the face of all the challenges outlined above, all of these new resources (and more) will be needed., Based on what ARCH has learned administering the Housing Trust Fund, it will take

¹⁵

https://www.kingcounty.gov/~media/initiatives/affordablehousing/documents/report/RAH_Report_Final.ashx?la=en

¹⁶

https://www.kingcounty.gov/~media/initiatives/affordablehousing/documents/report/RAH_Report_Final.ashx?la=en

¹⁷ Source: Rent Café Market Trends, October 2020 (From HDC presentation)

¹⁸ <https://www.kingcounty.gov/~media/initiatives/affordablehousing/documents/Meetings/rah-posters-FINAL-PRINT.ashx?>

¹⁹ <https://www.kingcounty.gov/~media/initiatives/affordablehousing/documents/Meetings/CAI-RAH-Deck1031.ashx?la=en>

dedicated and skilled staff with capacity to help ensure these new resources best meet the ever-growing affordable housing needs.

ARCH Accomplishments

The ARCH collaborative structure was created in 1992, with four initial members. Since that time ARCH has grown to include 16 member jurisdictions. Its staff conduct work in six broad areas:



- Affordable housing investment using the ARCH Housing Trust Fund
- Policy and Planning support for member jurisdictions
- Incentive Program Administration for cities that have adopted affordable housing incentives
- Stewardship of affordable housing units created via new development, rehabilitation
- Outreach and education to member cities and the public
- Program Administration

The following provides a brief summary of ARCH’s major accomplishments to date. See Appendix XX for more details.

Affordable Housing Investment

Units Created Using the ARCH Housing Trust Fund

Between 1993 – 2020 the Trust Fund was used to create 5,166 units of affordable housing. The majority of those units were for families (nearly 3500 units), but housing was also created for homeless, seniors and special needs populations. Projects funded with the Trust Fund are located in 10 ARCH-member cities. ARCH staff work with municipal officials, developers and other funders to create these units.

ARCH Funds Raised and Other Sources Leveraged

ARCH members have raised nearly \$80 million for the Housing Trust Fund since its inception. That includes financial contributions from members, land donated and fee waivers for affordable housing projects. Those ARCH funds are used to leverage a variety of other sources to build or preserve affordable units, including:

- Low Income Housing Tax Credits (\$310 million)
- Tax Exempt Bonds (\$244 million)
- State of Washington Funds (\$61 million)

- King County Funds (\$80 million)
- Other Funding (\$186 million)

In total ARCH has leveraged more than \$880 million in other funding sources for affordable housing projects in East King County cities. In other words, for every \$1 dollar contributed by ARCH, more than \$10 is leveraged from other sources for creation of affordable units.

Policy and Planning Support

ARCH staff provide support as requested by member jurisdictions. The level of support varies from member to member. In some cases, the support may include research on best practices, data analysis, financial modeling, and technical advice. For other members it may include drafting policies or code/regulatory proposals. ARCH staff have worked on more than 50 policies, plans, code amendments, or regulations for member cities, geared toward creating more affordable housing units in those local communities.

Between 2015 – 2020 seven cities asked for assistance from ARCH in creating housing elements for their comprehensive plans, and/or local housing action strategies. In addition, three more cities will soon be developing housing action strategies that will utilize some level of assistance from ARCH staff.

Incentive Program Administration

Cities may offer a variety of land use incentives to help reduce the cost of housing development, and in return a developer commits to providing a certain number of units at affordable rates. Incentives could include offering increased height or density in return for including affordable units in a development, zoning that allows for smaller lot sizes, smaller unit sizes, use of alternative housing types, or waiving or reducing permit/impact fees. ARCH staff work with local cities to create the incentive programs.

In addition, ARCH staff have provided technical support and assistance to cities that adopt the Multi-Family Property Tax Exemption (MFTE) program as allowed by state law. Developers can receive a tax exemption in exchange for creation of income- and rent-restricted units. This has become an important tool for many developers building affordable housing.

Between 1992 – 2021 more than 2800 affordable units have been created or are in development. Ten (10) ARCH-member cities now offer different types of incentive programs for developers. Historically incentives have been used by ARCH member cities to create units for moderate income households making 80 – 120% of Area Median Income (AMI). More than half of all incentive units created or in development (1515) are for households making 80% of AMI. In more recent years cities have begun to use the incentives to create units for lower income households, those making between 50 – 70% of AMI.

Stewardship of Affordable Units

There are now nearly 8,000 income- or rent-restricted units created through the Housing Trust Fund and the various incentive programs across ARCH-member jurisdictions. Roughly 7,000 of these are rental units and 1,000 are homeownership units. Once developers commit to creating affordable units, ARCH staff ensure the creation of those units and monitor and report on the continued affordability of those units over time.

Outreach and Education

ARCH staff regularly provide information, education, and updates for elected and appointed officials in member jurisdictions. Staff provide updates about ARCH activities, state and federal program/funding opportunities, information about local and Eastside affordable housing needs, goals and strategies, and generally serve as a resource for City Councils, Planning Commissions, city staff, and local residents interested in affordable housing issues.

Administration

ARCH has done a great deal to share resources across jurisdictions, create consistency in practices and procedures, and create efficient processes. Their work includes:

- Creating a single point of contact for all developers interested in creating affordable units in eastside communities, which greatly increases efficiencies for developers
- Using standard guidelines for income verification for all ARCH-funded projects, across all cities
- Create and use common rent/income/pricing guidelines for all ARCH-funded projects
- Serve as a central portal for homebuyers looking for affordable homes
- Create a centralized affordable housing data base that all member jurisdictions can use
- Conduct routine project audits

Summary of Interviews with ARCH Staff, Members, and Stakeholders



In February and March 2021 ten interviews with ARCH members and outside stakeholders were conducted, along with a group discussion with ARCH staff. The following provides a summary of the discussion about ARCH staff capacity and how ARCH staff are meeting the needs of member jurisdictions.

Overall Assessment

- **There was widespread agreement that ARCH is generally doing well at administering existing programs** (with some known staffing gaps), but that staff seem to be fully utilized.
- **The organization doesn't currently have capacity at the staff or board level to become a driver for more proactive strategies** (increasing funding, advocating for new policies, expanding partnerships, etc.), or to expand its services to new members/geographic areas.
- **There was a sense from outside stakeholders that ARCH should be scaling up its activities** to meet the dramatic growth and need for affordable housing in east King County. It was not clear that member cities feel the same way.

Trust Fund Program Opportunities and Challenges

- **ARCH has been highly successful in administering and leveraging local funds** with minimal staff resources (1 staff position).
- **The trust fund's large portfolio requires active monitoring** to collect loan repayments and restructure agreements as projects age program, as it now encompasses over 100 contracts and tens of millions of dollars in funding – and growing. Other public funder agencies have shifted to creating dedicated asset management staff.
- **Significant opportunities lie ahead** as ARCH members have begun to increase their level of investment and adopt new funding sources, plus new TOD opportunities and other special projects.

Work on Policy/Planning/Regulatory Recommendations

- **Planning activity has been steadily increasing in recent years**, even as ARCH role in policy/planning work varies from year to year and city to city, and a lack of clarity in ARCH's ongoing role makes it difficult to plan for needed capacity/skillsets.
 - Between 1992 – 2014 ARCH staff supported approximately 1.5 housing strategy plans, housing comp plan elements or code amendments per year for member cities.
 - Between 2015 – 2020 ARCH staff completed 8.0 strategies, plans or code amendments per year.
- **ARCH hired one Planner in 2002 and has added no additional planning capacity since.**
- **Some member cities are doing their own work on affordable housing policies or plans**, and ARCH staff have a sense this may be because the members don't believe ARCH has the capacity to complete high priority policy development in a timely manner.
- **ARCH's primary planner is also responsible for administering city incentive programs** (preparing developer agreements and covenants for MFTE, inclusionary and bonus programs). This increasingly competes with ARCH's role in supporting new policy/program development.
- **The upcoming work will place greater demands on the planning staff capacity for ARCH**, including on TOD, station area planning, and comp plan revisions.

Additional Staff-Identified Capacity Shortages

- **Proactive policy development, planning, research and best practices work would require more staff capacity**, to the extent ARCH members would like staff to be more involved.
- **Conducting regular Housing 101 and educational/outreach work is not being done regularly** with members and communities to create and sustain deeper understanding about affordable housing issues and the work ARCH does.
- **Making affordable housing accessible to diverse communities would require additional capacity** for marketing and outreach. This was a recent addition to ARCH's work program, but no new staff capacity was created for this work.

Internal Organizational Capacities

- **The recent addition of 2 FTEs has provided the level of staffing needed to meet current obligations for compliance and monitoring for the Homeownership and Rental programs.**

- **However, new units are being added quickly**, and the organization needs to be mindful of the metrics recommended in 2019 about the number of units per FTE.
- **ARCH staff is getting good utilization from interns, but it is an uncertain source of labor** that comes with the internalized cost of replacing and training. They could be using consultants to meet some of the capacity gaps but there are not resources to hire consultants.
- **ARCH can no longer use some homegrown excel sheet to track 1000s of units.** There is a need to update, but there are not the time, staff or funding resources to do so.

Adding a New ARCH Member

- **Staff believe that adding a new city as an ARCH member would require additional staff capacity in the areas where shortages already exist** (policy, planning and regulatory work, as well as trust fund project-related work).

Interviews with Eastside Developers for ARCH Capacity Assessment - Spring 2021

As part of the process, seven developers were interviewed – they were deliberately chosen to cover a variety of perspectives – smaller and larger, nonprofit vs. for profit, those that had received ARCH funding vs. those that had not yet. Below are some of the highlights from the conversations.

Developers Interviewed:

- **Len Brennan** (Shelter Resources)
- **Allen Dauterman** (Imagine Housing)
- **Kim Faust** (Main St. Property Group)
- **John Fisher** (Inland Group)
- **Kim Loveall Price** (DASH)
- **Emily Thompson** (GMD Development)
- **Kevin Wallace** (Wallace Properties)



1. What has been your past experience with ARCH and how would you describe that experience? What was best about working with ARCH? What was most challenging? If you have not worked with ARCH, why not?

- **ARCH is seen by many as a good partner:** *“They will strategize with developers;”* *“Under the new leadership the work on compliance is easier and more collaborative”*
- **But there is some concern about flexibility/responsiveness:** *“Process is cumbersome because of the number of councils they have to report to.”* *“The more flexible ARCH can be the better the chances of getting to their end goal.”*
- **ARCH’s limited resources limit their impact:** *“Their leadership is good, but there is not enough resource available for new development or rehab.”* *“The amount of money that ARCH has available is not enough to make a big difference in each project.”*
- **Some express concern that ARCH is doing less advocacy for Eastside than in the past:** *“Don’t think ARCH acts as much of an advocate as in the past;”*

- **Some developers want ARCH to be more of a partner:** *“For affordable housing, has to be a collaboration between ARCH and developers.” “Need to be more of an advocate, understanding and supportive of developers.”*

2. In your experience, how does working with ARCH compare to working with other sources of funding for affordable housing? For those working with ARCH on affordable housing incentive programs, how does that work compare with other locations or jurisdictions?

- **Compared to other partners, ARCH is seen as comparatively easy:** *“They are the best of the three (between county, state and ARCH).”; “Conditions in contracts very easy compared to other funders.”;*
- **Developers appreciate their insight:** *“Good feedback quickly on your project,” “They are reasonable and they work in partnership.”*
- **ARCH is helpful navigating cities:** *“Staff typically take the lead in working with local governments. That is helpful – so the developer doesn’t have to work with each individual city.”*

3. Stepping back and thinking regionally - what would you describe as the most important accomplishments for ARCH?

- **Developers value the creation of the coalition and focus on the issue:** *“Getting cities to work together to solve affordable housing was a good one.” “ARCH has done a good job raising visibility with cities on affordable housing.”*
- **ARCH is also an important advocate to cities:** *“They have also helped with advocacy... talking with Mayors and Council members to create support for and action around affordable housing.”*
- **ARCH is a valuable finance partner:** *“They have helped provide small amounts of gap financing for 9% projects that have lower income targeting.”*

4. What do you think of as ARCH’s most important role in helping developers build affordable housing: funder of affordable units, technical assistance on understanding local regulations and ordinances, helping find additional funding, helping find tenants, providing ongoing monitoring?

- **Developers value the funding, especially as an initial money that brings other dollars:** *“As the first funder to commit money they showed local commitment that was important with other funders.” “ARCH is effective at leveraging other funds and bringing other funders along.”*
- **Some smaller developers value their technical assistance:** *“The technical assistance in understanding local development regulations and ordinances.”*

5. What are the primary obstacles to constructing affordable housing in East King County cities?

- **There simply needs to be more dedicated funding:** *“More resources are needed, particularly in the 4% pool of projects.” “There is not enough availability of state and local resources to make projects happen.”*
- **Several developers pointed to costs – particularly of land, but also of permitting:** *“The cost of land is out of reach;” “Permitting is starting to get bad; 1 year process is a bit of overkill.”*
- **There is interest in cities streamlining permitting and easing zoning:** *“All cities have extraordinarily expensive: permitting; regulations; etc. “ARCH could find a way to make zoning/rezoning more achievable and predictable.”*
- **Several also mentioned need to ease parking requirements:** *“Parking ratio reductions would help.” “Parking regulations are an obstacle in some jurisdictions.”*
- **There is also interest in a more unified voice/approach from the Eastside cities:** *“Each city has its own agenda, own strategy.” “What are cities going to do collaboratively?”*
- **There are concerns that requirements and funding for low-income are making middle-income housing unaffordable:** *“Need to kick-in money for nonprofits to produce less than 60% AMI housing, but don’t make it not viable to produce middle income housing to pay for it.” “Putting the full burden on developers is not fair.”*
- **There are few “competitive sites”:** *“If you are not competitive you won’t get a resource allocation from the state.... sites score well that have access to services and transit, but there are minimal transit corridors on the Eastside compared to Seattle.”*

6. What could ARCH do more of, less or, or do differently – either for developers or for member cities – to support the building of more affordable housing on the Eastside? Any other final thoughts?

- **Some want more advocacy within cities for individual projects:** *“Advocating for projects, funding and expending.” Maybe ARCH could hire a planner to work with all cities to interface with cities to make sure projects are going through process efficiently. “ARCH could have a seat at the table on behalf of developers. Lots more they could do to help with zonings and site approvals.”*
- **And some want more advocacy across cities on policy:** *“Build the coalition and advocacy to the cities;” “Unify voices and policy”; “Can HDC provide some capacity to ARCH to do advocacy work?”*
- **A few expressed interest in ARCH using more private/public partnerships:** *“Why not take advantage of profit/nonprofit joint ventures, as for profits have experience, liquidity,*

can bring capital, etc.” “The tax credits were meant to be private/public partnerships...In WA there is a sense that private developers are not as good as nonprofits.”

- **A few had specific ideas:**

- *“ARCH could act as a clearinghouse for surplus properties across cities.”*
- *“Cities that are choosing to do parallel funding paths-- that makes no sense. Give ARCH more money to do more work. The beauty of ARCH is the single point of contact for East King County.”*
- *“The For Sale ARCH program is inequitable and needs to be fixed... [providing a giant benefit to one family, but nothing to others...]*

ARCH Work and Staffing Trends



One of the foundational principles behind ARCH is that member jurisdictions pool resources to build or preserve affordable units across the Eastside, and to create a shared staff resource with specialized expertise in affordable housing that provides support to all members. Many member cities rely on ARCH's expertise to help them analyze and develop projects, interact with developers, draft policies and regulations to promote the development of affordable housing, and monitor affordable units within cities that have been created as a result of city policies and

programs. The history of ARCH has been to apply resources efficiently and to increase the capacity of the organization incrementally as it has grown.

History and Background

ARCH began in 1992 with 4 initial member jurisdictions. Three years later there were 8 members, and by 2008 there were 16 members (which is today's membership). Over time the demands on staff have increased for several reasons:

- 1) As the number of ARCH members increased the requests for staff time and support also increased,
- 2) Both the growing ARCH Housing Trust Fund and new city affordable housing programs (e.g., MFTE and inclusionary zoning) have created an increasing portfolio of units with more work required to create, monitor and report on those units in the expanding portfolio,
- 3) Affordable housing has become a priority issue for many cities and interest in creating developer incentives or new land use policies that promotes affordable housing has increased dramatically, and
- 4) The need for affordable housing across King County and in Eastside cities has increased significantly as housing costs and demand for units have soared.

Growth in Program Activity

Growth of Housing Trust Fund

Since 1993 the number of projects funded by the Trust Fund has averaged 4 per year. Although annual funding (cash contributions and land donations) has fluctuated significantly from year to year, in general the funding provided by members to the Trust Fund has been relatively flat. The highest number of projects in any given year was 9. However, while the annual number of projects has been relatively constant, the projects funded by ARCH have become more complex,

with higher loan amounts and use of multiple funding sources. Many of the projects require specialized staff expertise to analyze and evaluate project proposals.

Growth of Planning Activities

ARCH staff provide a variety of affordable housing planning activities for member jurisdictions, including development of local housing strategy plans, housing elements of comprehensive plans, code amendments, or regulatory proposals. In ARCH's first twenty years (1992 – 2011) ARCH staff completed 26 planning activities for member jurisdictions. In the past 9 years (2012 – 2020) ARCH staff have completed 56 projects for members. There has been a pronounced increase in activity since 2015. This has been due to several factors, including the increase in affordable housing needs across ARCH cities and the county, the heightened interest on the part of many jurisdictions to develop strategies that will address local affordable housing needs, and an increase in requests from member cities to assist in the creation of state-required housing elements in local comprehensive plans. It is anticipated that there will be a number of new requests for support as local comprehensive plans are updated between 2021 – 2024.

Growth in the Number of Affordable Units Monitored

In addition to creating affordable units through use of the Housing Trust Fund, ARCH member cities also use a variety of land use and policy incentives and requirements to create new units. When those units are created, the city's programs typically place a cap on the price of units to be sold or rented (to ensure affordability), and require that the income of renters or buyers cannot exceed certain limits (to make sure only households with limited incomes occupy those units). When the units are initially completed, and over time as they change hands, ARCH staff monitors those units to make sure that the pricing and owner/renter income restrictions are being met.

There has been a considerable increase in the number of incentive programs adopted by ARCH member cities. Ten cities now offer incentives to create more affordable housing. In ARCH's first 20 years there were 91 projects that were required to meet a city's local affordable housing incentive of requirement. In the past 9 years, there have been 111 projects. With each new project the total grows, and there are now more than 2800 units (owner occupied and rental) that ARCH staff monitors to insure they are in compliance with local requirements.

Regional Affordable Housing Need

As mentioned in the Landscape Analysis earlier in this report, across east King County cities 36% of renters and 29% of homeowners were considered either cost burdened (spending more than 30% of their household income on their housing costs) or severely cost burdened (spending more than 50% of their income on housing). Given the trends in increasing rents and home prices, these numbers are not likely to change soon.

Staff Capacity and Staffing Trends

When ARCH was created, 2.5 FTE were hired to provide support to the 4 member jurisdictions and to manage the Housing Trust Fund. As ARCH membership increased the number of FTE's

increased to 5 FTE by 2008. Staff capacity remained at approximately 5 FTE between 2008 – 2019. In 2019 two FTE were added to address the needs of monitoring the rental and home ownership units. At the time, the number of rental and ownership units created by ARCH resulted in their staffing ratios (for the number of units each staff member had to track, monitor and report on) being far below the best practices standards established by other cities around the region and the country. The two additional FTE brought ARCH into compliance with those best practices standards.

What's Not Getting Done

In conversations with ARCH members, ARCH staff and after conducting a review of the annual ARCH workplan, a number of projects and tasks were identified that are not getting completed with the existing staff capacity. The following are some of the topics identified:

Housing Trust Fund

- Funding policy
 - Provide options to ARCH members and conduct analysis on those options for the potential creation of a dedicated funding source for Eastside cities.
 - Revisiting parity goals (work started in 2017-2018)
- Oversight of existing investments:
 - Be more proactive in monitoring project financial sustainability (cash flow, vacancy rates, maintenance needs) for developments created using ARCH funds
 - Loan monitoring (ensuring timely loan repayments)
- Conduct more proactive work and technical support to generate special projects (TOD, preservation, surplus property, faith community property, etc.)

Policy, Planning, Incentive Programs

- Work with cities that have adopted Housing Strategies/Housing Action Plans to implement more of the strategies identified
- Work with cities who have yet to create and adopt Housing Strategies/Housing Action Plans
- Work with ARCH members to establish Eastside housing production and preservation targets
- Do more work to coordinate across cities – sharing best practices, program evaluations
- Streamlining interface for developers who utilize incentive programs

Rental Program Monitoring and Administration

- Work with member cities to establish a monitoring fee that would help defray the cost to monitor ARCH units
- Create new rules for parking charges for ARCH rental units
- Review ARCH Rental Covenant for needed updates
- Explore centralized application portal for all properties with ARCH rental units

Education, Outreach and Administrative Procedures

- Update ARCH bylaws
- Improve and enhance data bases used to monitor ARCH-funded units
- Improve the ARCH website, making it more interactive and useful for all users
- Conduct more Housing 101/outreach events with member cities
- Building partnerships to market new housing to households in need

Conclusions

Based on the interviews with ARCH members, staff and outside partners, and review of workload trends and the annual ARCH work plan, several conclusions were reached regarding ARCH staff capacity.

- The **existing staff are fully utilized** and have no additional capacity for growth. ARCH member cities are reluctant to ask ARCH staff to take on new projects because the staff are fully booked.
- Gaps have begun to emerge, and **elements of the work program are not being accomplished**. Some tasks have been on the work plan for several years because there is not the capacity to move the work forward.
- Trends suggest that **workload will continue to grow**. This applies to the continued growth of the Housing Trust Fund, and the continued demand for planning, research and data analysis services.
- **Deficiencies will grow** as new projects and units come online. As the number of Trust Fund units and incentive units are built, it will be difficult to update practices and policies that are already in need of improvement.
- **Additional staff are needed** to catch up to current demands and to absorb the expected near-term growth in work.

Staff Capacity Options

After conducting the analysis described in the earlier chapters, the ARCH board was presented with three options for different approaches to addressing staff capacity issues. Several conclusions and themes were highlighted to inform the deliberations about the staffing/budget options.



Funding Models

Two funding models were presented to the ARCH Board for consideration:

- Per capita allocation to all members, except King County (same as the existing model)
 - In addition, this model could add optional on-call consulting services paid based on actual services used
- Tiered membership:
 - Base membership: Would include administration of the Housing Trust Fund, program administration/monitoring, and outreach activities, all allocated on a per capita basis
 - Optional tier for policy/planning services, and/or or incentive program support provided by ARCH staff that would only be paid by those cities expecting to utilize those services.

Other Revenue Factors

In addition to the two funding models, there are other revenue sources that were identified for consideration by the board.

Fee Revenue

- Current fee revenue collected by ARCH will cover the cost of at least 1.0 FTE
- Cash reserves up to \$150k as of YE2020, will continue growing as fees accumulate
- Additional revenue could be generated as cities work toward authorizing ARCH to collect administrative fees from rental projects
- Offering fee for services to other cities not currently ARCH members (as is currently being done with the City of Duvall) may be an opportunity in the future, but is not an immediate factor.

King County Revenue

- King County has expressed interest in increasing dues from \$75,000 up to \$125,000.

Staffing/Budget Options

Three staffing options were identified to add new staff capacity to ARCH. The first option would add 1 FTE, the second option 2 FTE, and the third option 3 FTE. In preliminary conversations the Board indicated that doing nothing, not adding any new capacity, was not an option they wanted to consider.

Option 1 – Baseline budget, 1 FTE covered by fees

- Member dues continue to pay for existing staff positions (increase in combined dues no more than 4% increase)
- City member dues are distributed on per capita basis; King County dues remain close to \$75k
- Use fee revenue to add 1.0 FTE:
 - Incentive Program Administrator – This new position would be responsible for working with developers and preparing agreements for projects using land use/tax incentives
- Could use available reserve funds to hire temporary staff position or other support for loan monitoring
- Evaluate areas of the work program that can be reduced in the future

Option 2 – Address Immediate Gaps (Add 2 FTE, 1 with fees, 1 with dues – from some or all members)

- Base member dues continue to pay for existing staffing levels
 - King County dues increase to \$125k
- Fee revenue pays for Homeownership staffing, frees up base member dues to add 1 FTE:
 - Trust Fund Program Officer – This new position would be responsible for managing the ARCH loan portfolio, and would enable ARCH to absorb an increase in transactional work (could include assisting Bellevue with allocation of additional funds).
- Additional services above the base membership could be paid by cities that use ARCH for incentive program administration, or by all cities:
 - Incentive Programs Administrator – This new position would be responsible for working with developers and preparing agreements for projects using land use/tax incentives

- Explore shared contract for on-call consulting services on policy/planning, financial analysis and modeling, special project management and other services.

Options 3 – Plan for Growth (Add 3 FTE, 2 from dues, 1 from fee revenue)

- Base member dues pay for 1 additional FTE:
 - 1 FTE: Trust Fund Program Officer (described in Option 2)
- 1 FTE paid by dues above base member dues – paid by cities actively using ARCH for incentive program administration:
 - 2 FTE: Incentive Program Administrator (described in Options 1 and 2)
- Fee revenue pays for 1 FTE
 - 3 FTE: Housing Programs/Special Projects Manager – This new position would oversee stewardship and monitoring activities, take on special policy/project work
- Explore shared contract for on-call consulting services on policy/planning, financial analysis and modeling, special project management and other services.

Conclusions and Recommendation

Overall Assessment



Member cities clearly value ARCH for the range of services provided: technical and policy support, units created from the pooled resources, addressing the monitoring and reporting requirements on affordable units, and for serving as a single voice and resources on the issue of affordable housing in the eastside. However, given the depth of the affordable housing need in most eastside communities, there is demand among ARCH members for creating more affordable units and for additional technical

assistance and support in creating affordable housing policies and programs.

The level of ARCH support needed or desired varies among member cities and generally depends on two factors:

- The size of the city and their ability to devote internal staff resources to affordable housing issues, and
- The level of commitment on the part of a city’s elected leadership to aggressively pursue affordable housing strategies.

It is also important to note that when asked if there is work ARCH staff are doing that could be eliminated in order to create additional capacity, there were no suggestions from members for work that ARCH should do less of or drop entirely.

ARCH Work Plan Needs

Based on the interviews with member cities, and discussions with the ARCH Board, the following themes emerged regarding ARCH’s annual work plan, and the needs and interests of members.

- All ARCH cities will rely on some level of ARCH staff for support with Comp Plan Updates (at a minimum - housing needs data, some would benefit from housing element review or drafting). Some had questions/concerns about the impact of HB 1220, and interest in ARCH capacity to assist with new requirements.
- All cities are interested in ARCH tracking data on an ongoing basis to comply with Countywide Planning Policies (CPP) reporting requirements.
- Several cities are counting on ARCH support to implement actions from their housing strategy (Bellevue, Bothell, Kenmore, Kirkland, Issaquah, Redmond)

- Several cities would like help to facilitate TOD projects or other special projects in their jurisdiction, such as finding faith-owned properties for new development.
- Many cities described a distinct set of skills/knowledge that ARCH staff provide to members.
- Some cities had aspirational ideas about an expansion of ARCH’s services/role:
 - Facilitating Eastside collaboration on homelessness policy/practice
 - Providing more technical assistance/support to faith-based communities for housing development
 - More proactive steps to encourage best practices on housing policies, for example on ADUs – outreach/marketing, financing, pilot programs, etc.
 - Stronger role in legislative advocacy
- Smaller jurisdictions with little to no planned growth will not use ARCH for planning services.
- There is interest among some members in shifting to a fee for service model when it comes to policy/planning work, and potentially other areas where workload is growing, such as incentive programs.
- King County is interested in investing more in ARCH capacity that will catalyze projects or policies toward the Regional Affordable Housing Task Force Action Plan goal of 44,000 units.

Staff Capacity and Staffing Trends

Staff from member cities agreed that ARCH staff are fully utilized and have no additional capacity for growth. Members also identified gaps that have begun to emerge, and elements of the annual work program that are not being accomplished.

As described earlier in this report, while ARCH staffing capacity has been relatively flat, requests for ARCH staff services have increased. As the Trust Fund loan portfolio has grown, there is a need to increase staff capacity to actively monitor those loans and address the current backlog of loans that have not been actively monitored.

There has also been a significant increase in the requests for planning assistance from cities that want to adopt or amend policies, codes, and local housing programs. Currently, ARCH’s planning assistance is provided by the same Senior Planner who also oversees member cities’ incentive programs. ARCH will need additional planning/policy staff to continue overseeing the growing portfolio of members incentive programs while helping cities update local comprehensive plan housing elements, respond to the County’s Countywide Planning Policies, and respond to the growth in requests for planning and policy assistance.

Two new positions were added in 2019 to monitor the affordability of units created by the ARCH Trust Fund. Those positions increased the level of staffing to industry standards for the size of the portfolio and the number of units that need to be monitored for compliance with affordability requirements.

The growth of ARCH activities also suggests the need to create additional management capacity, to both oversee staff stewarding the growing portfolio of affordable housing created in the Homeownership and Rental Programs, and work on special initiatives – such as expanding marketing efforts to diverse populations or promoting partnerships to develop affordable housing with faith-based communities. The new capacity would both increase management oversight and free capacity for the Executive Director.

Revenue Opportunities

There is an opportunity to utilize some existing revenue sources to increase staff capacity. ARCH has been collecting fees from the homeownership program and now has a sustainable source of income. Those fee revenues would support 1 FTE. In addition, King County has expressed a willingness to increase its contribution to ARCH annual operations. This could be part of the revenues used to increase ARCH staff capacity.

Most cities are facing budget challenges, so even for the larger and mid-sized cities a phased approach to increasing staff capacity should be considered.

Executive Board Recommendations

Based on the review described above, and discussion with the ARCH Executive Board over several months, the Board recommended to their respective Councils the following actions to increase ARCH staff capacity.

Phased Approach to Adding New Staff Capacity

Balancing the different needs expressed by member cities, and the budget challenges facing many cities, ARCH should adopt a phased approach to increasing staffing.

In 2022, current member dues from all jurisdictions should be used to support the 2021 base staffing level, and an additional two new full time ARCH staff positions should be created:

- A Program Officer working on the Housing Trust fund – Paid for using increase in revenues from program fees. No dues increases needed to pay for this position.
- An Incentives Program Administrator – Paid for using a new tiered dues structure (see below)

In 2023 one additional position should be added:

- A Housing Programs, Special Projects Manager

The Board has not decided how to pay for the 2023 staff position. It will likely be some level of new dues, but no pre-commitment was made about how the dues will be allocated.

Create a New Tiered Dues Structure Based on the Level of Program Activity

Revenues for the two new positions can come from several sources. One FTE (the Program Officer) can be paid for using fee revenues to pay for Homeownership staffing, which frees up base member dues to add 1 FTE. The second position, that would focus on the administration of local housing incentive programs, presents an opportunity for ARCH to implement a tiered dues structure, based on the number of projects each city has in their incentive program.

- Cities with active incentive programs (either more than 10 completed projects or 3+ projects in the pipeline) pay on a per capita basis (Bellevue, Issaquah, Kirkland, Redmond)
- Cities with less active programs (fewer than 10 completed projects, and less than 3 projects in the pipeline) 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).

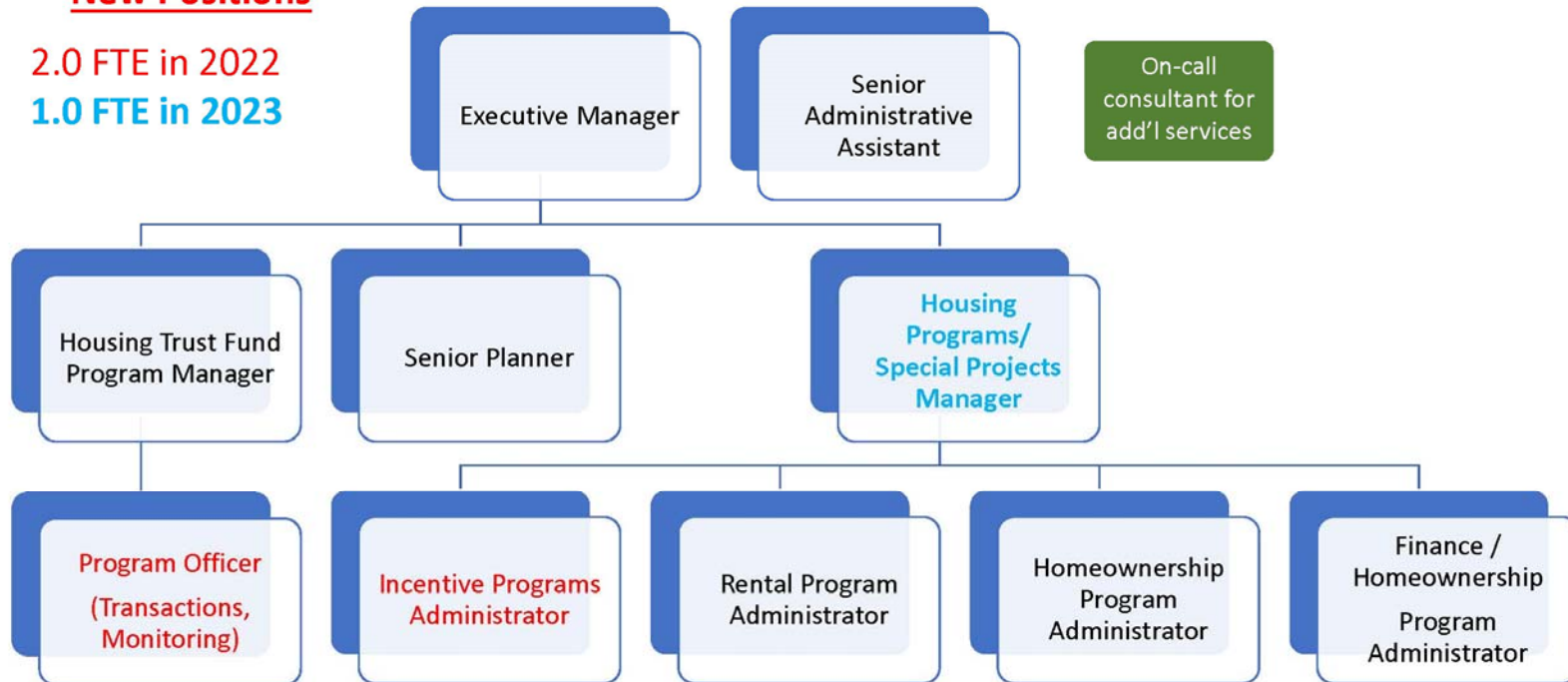
(See next page for graphic summary of Executive Board recommendations.)

Executive Board Recommendations: ARCH Proposed Staff Structure

Address Most Urgent Gaps and Plan for Growth in Next 3-5 Years

New Positions

2.0 FTE in 2022
1.0 FTE in 2023



Implications:

- * Absorbs significant growth from incentive programs, frees up some capacity for Comp Plan and housing strategy support.
- * Catches up to backlog of loan monitoring, creates some capacity to transact more loans.
- * Could add on-call consulting to support other services.
- * Create new tiered dues structure to pay for Incentive Programs Administrator
- * Plans for anticipated growth in member services and supports

Conclusion

Based upon review of the ARCH workplan, discussion with cities about their near-term plans, and assessment of ARCH staff responsibilities and workload, the changes proposed by the ARCH Executive Board are essential actions to help ARCH staff capacity to catch-up with long-standing shortages in staffing and meet member's most pressing existing and near-term needs. The new capacity will be particularly helpful in administering the Trust Fund, helping cities in planning and policy work, and accommodating the growth in special projects.

Nevertheless, ARCH's work is likely to continue to grow, and the board was unable to identify any work that ARCH staff could eliminate. In addition, cities in north and east King County may consider requesting membership in ARCH. In the coming years additional capacity may be needed as the portfolio of projects increases in size and complexity, and the planning and policy work expands.

Finally, there are structural questions and tensions within the organization regarding the capacity, direction and services offered by ARCH that were not possible to address in this evaluation (such as the desire from external stakeholders for ARCH to be stronger advocates, or the disparate level of commitment to housing across member councils). Given these range of questions, ARCH's Executive Board committed to a strategic planning process in 2022 that can address these and other pressing issues outside the normal course of operations and budget cycles.



Memorandum

Date: 10/19/2021
Meeting of: City Council

File No. AM No. 21-155
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Parks	Carrie Hite	425-556-2326
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DEPARTMENT STAFF:

Parks	Lee Ann Skipton	Facilities Manager
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TITLE:

CIP Project Approval - Electrical Service Upgrades and Electric Vehicle Charging Infrastructure

OVERVIEW STATEMENT:

Staff are seeking approval to fund a project that includes a one-time upgrade to the electrical services at two City facilities to support increased energy load, as well as the installation of electric vehicle (EV) charging stations to support the City's growing EV fleet.

A similar project was originally proposed for the 2021-2022 CIS but was unfunded when revenue projections were reduced due to Covid-19 impacts. Since then, the scope of the project was refined to only address the power capacity and fleet charging needs.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information **Provide Direction** **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
 - Climate Emergency Declaration
 - Environmental Sustainability Action Plan
 - Green Fleet (pending)
 - Zero Carbon Strategy (pending)
- **Required:**
N/A
- **Council Request:**
At the request of City Council, staff is verifying eligibility of REET funds.

- **Other Key Facts:**
N/A

OUTCOMES:

This project will upgrade the electrical services at two municipal buildings to support the projected energy load through 2050. The project also includes the addition of 11 new EV charging stations; each charging station can accommodate two vehicles at a time. The proposed infrastructure will support 4 existing EVs and a minimum of 17 planned EV purchases by 2023.

Additional stations will be added in future CIP requests to accommodate the City's growing EV fleet. This strategy will keep charging station installation one year ahead of the City's green fleet goals, while remaining flexible to changes in operations, goals, or market trends. EV charging infrastructure is a foundational action as the City continues to electrify its vehicle fleet.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
2021 Planning, design, and engineering. 2022 Construction and project complete.
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
\$596,400

Approved in current biennial budget: Yes No N/A

Budget Offer Number:
CIP

Budget Priority:
Healthy and Sustainable

Other budget impacts or additional costs: Yes No N/A

If yes, explain:

This work is essential to support the goals of the Public Works Fleet program. EV purchases are being held awaiting necessary infrastructure.

Funding source(s):

The project is proposed to be funded from a \$40,000 contribution from Microsoft and unallocated REET funds.

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
10/12/2021	Committee of the Whole - Planning and Public Works	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

Completing this project is critical to continuing electrification of the City fleet.

ANTICIPATED RESULT IF NOT APPROVED:

New fleet vehicle purchases will not be electric.

ATTACHMENTS:

Attachment A: CIP Business Case & Cost Estimate



CIP Business Case Standard Form

Project Name _____

Functional Manager _____ Title _____ Ext. _____

Functional Lead _____ Title _____ Ext. _____

Department _____

Functional Area(s) _____

Location *(enter address or coordinates, if multiple locations, attach list)*

Geographic Area _____

CIP Status _____ Exists on 2019-2024 CIP _____ Proposed in Last CIS (not funded) _____ New

Project Type _____

Description *(1 or 2 sentences)*

Project Scope *(list of what's included)*

Project Management _____ Construction Division _____ Functional Area _____ Other

Is Real Property support needed? _____ Yes _____ No

IS TIS support needed? _____ Yes _____ No

What other Functional Areas could be impacted by this project? *(check all that apply)* _____ None

_____ Facilities _____ Fire _____ Parks _____ Planning _____ Police

_____ Stormwater _____ Transportation _____ Wastewater _____ Water

CIP Business Case – Standard Form

Project Objectives *(describe qualitative objectives of the project)*

Justification

Why are you proposing this project now?

Why is this project a high priority?

When would you like this project delivered? _____

How are you expecting this project to be funded? *(check all that apply, describe other)*

____ CIP Fund ____ Grants ____ Partnership ____ Other: _____

How will you measure the quantitative success of the project?

Was this project previously approved in the 2021-2024 CIP? ____ Yes ____ No

If Yes, has it changed? ____ Yes ____ No

Project Readiness

____ Yes ____ No Do you have staff capacity to support this project?

____ Yes ____ No Are scope and objectives set?

____ Yes ____ No Are all external feasibility issues resolved?

____ Yes ____ No Are other impacted functional areas committed to supporting this project?

If No on any explain.

Only projects with all Yes answers will be considered for the CIP.

CIP Business Case – Standard Form

Are there any other issues, conditions or requirements that could impact the ability of this project to proceed efficiently through design and construction?

_____ Yes _____ No. If Yes, explain.

I have reviewed and am approving this project for schedule and cost estimate development.

Functional Area Manager

Date

City of Redmond
Planning Level Opinion of Probable Costs



Roadway Cost Estimate

Project Overview

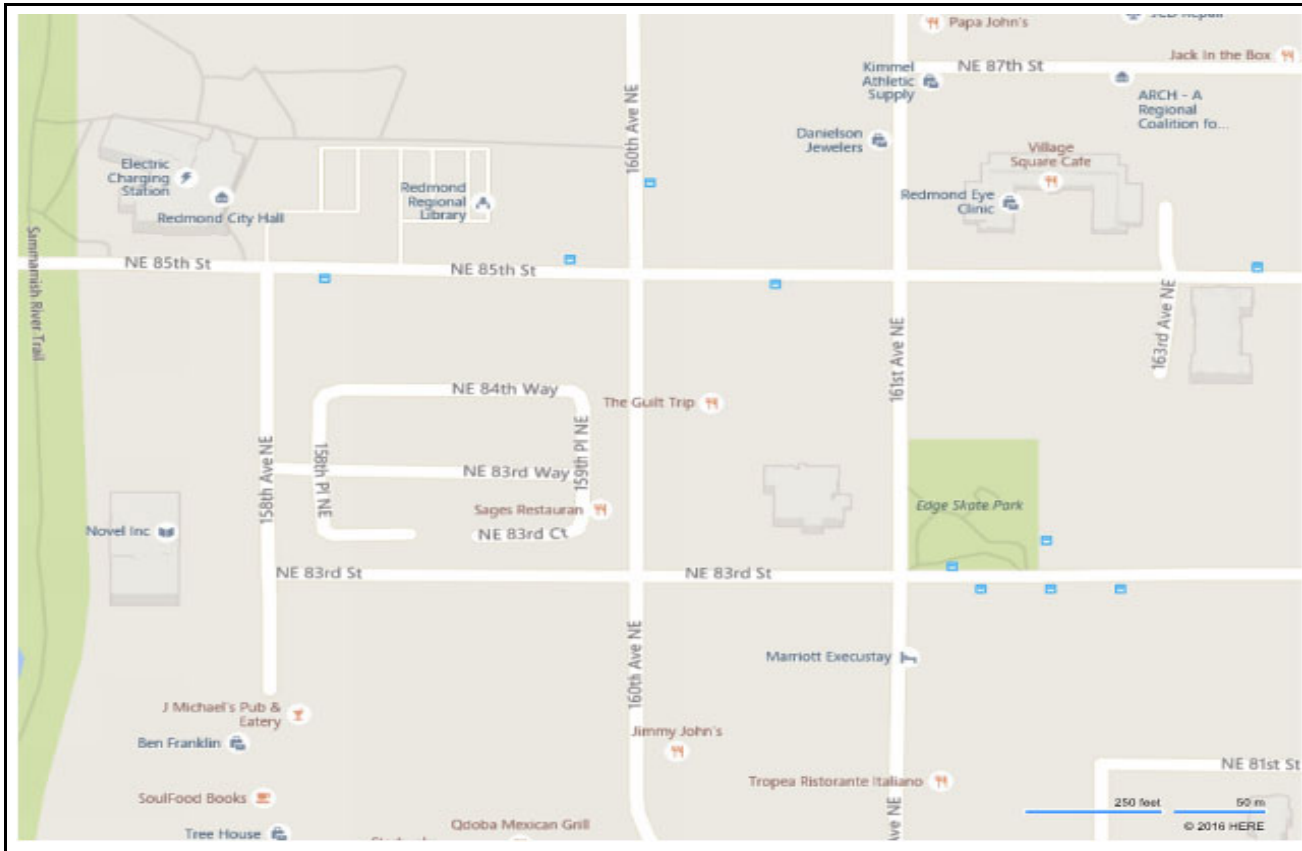
Project Name:	Sustainability EV Charging Infrastructure 11 towers		
Project ID:		Concept No.:	
Created By:	LAS	Date:	8/11/2021
Reviewed By:		Date:	

Neighborhood:	Bear Creek	Primary Street:	
Street Class:	Major Arterial	Street Limits:	
Master Plan:		Document Link:	

Project Description and Scope: Work in partnership with PSE to upgrade transformers for the City Hall Parking Garage and MOC and install 11 new EV charging stations to accommodate 20+ EVs. Proposed locations for EV chargers include: 10 in City Hall Garage and 1 at MOC. This is a foundational action as the City begins to electrify the vehicle fleet in support of Environmental Sustainability Action Plan goals and Council's Climate Emergency Declaration.

Estimate of Probable Costs: **\$596,400**

Project Map





Memorandum

Date: 10/19/2021
Meeting of: City Council

File No. AM No. 21-156
Type: Staff Report

TO: Members of the City Council
FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Planning and Community Development	Carol Helland	425-556-2107
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DEPARTMENT STAFF:

Planning and Community Development	Sarah Pyle	Community Development and Implementation Manager
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TITLE:

Review of the 2021 and 2022 Tourism Fund Allocation for Matching Grants

OVERVIEW STATEMENT:

Council is being asked to review the recommendation of the Lodging Tax Advisory Committee (LTAC) for allocation of the 2021 and 2022 matching grants from the Tourism Fund. A staff report will be provided with information on the 2022 Tourism work plan, which includes a plan for updating grant criteria, and information on LTAC’s role, limited authority, and recruitment efforts.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information **Provide Direction** **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Comprehensive Plan, Long-Term Recovery Plan, RMC Title 4
- **Required:**
N/A
- **Council Request:**
N/A
- **Other Key Facts:**
The City of Redmond collects a lodging tax of one percent on each overnight stay at hotels located within Redmond and allocates these revenues to the Lodging Tax Fund. The purpose of the Lodging Tax Fund (“Tourism Fund”) is to increase tourism in Redmond by attracting visitors, especially overnight visitors who stay in Redmond hotels, by funding event marketing, operation of special events, festivals, and/or tournaments.

Applications Received: The City received 16 external grant applications from non-profit and for-profit organizations.

Criteria: Applications are reviewed against the program fund criteria for tourism promotion, which prioritizes:

- Benefit to the community
- Innovation
- Overnight stays
- Community support
- Partnerships
- The scale of the project
- Other funding sources and
- New or ongoing funding

Per Council's feedback from January 2020, the grant application criteria were broken out and application components that support the criteria were assigned points. Each application received a weighted ranking to increase equitable evaluation of the applications. The current criteria have been in place for approximately 10 years, and they lack clarity.

OUTCOMES:

LTAC recommends funding 14 applications that demonstrated alignment with the grant criteria and tourism goals.

Recommended Applications:

2021

1. **Fuel the Dragon**, community activity to support small businesses via in-person passport game. *Non-profit*
2. **Crossfire Selects**, the state's largest soccer tournament. *Non-profit*
3. **Hispanic Heritage Month Celebration**, a month-long art exhibit with two community events. *Non-profit*
4. **Redmond Saturday Market**, a five-month-long farmer's market. *For-profit*
5. **Seattle World Whiskey Day**, a two-day whisky tasting and judging event in downtown Redmond. *Non-profit*

2022

6. **Festival of Color**, the annual celebration of the traditional Indian festival of Holi. *Non-profit*
7. **NAMI Eastside Youth Mental Health Conference**, a conference with youth and providers to support mental health. *Non-profit*
8. **Redmond Saturday Market**, a five-month-long farmers' market. *For-profit*
9. **Ananda Mela**, Joyful Festival of India. *Non-profit*
10. **Cinco de Mayo Family Celebration**, a festival at Redmond Downtown Park with Live Music, Food Trucks, and Vendors. *Non-profit*
11. **Seattle World Whiskey Day**, a whisky tasting and judging event at the Downtown Redmond Park. *Non-profit*
12. **USA Gymnastics Washington State Congress**, a gymnastics training event. *Non-profit*
13. **Vegetarian and Vegan Festival**, a free for the community event that includes talks by eminent speakers on diet and health, food vendors, and multicultural entertainment. *Non-profit*

14. International Track Cycling, largest weekend track bike racing event in North America drawing bicycle racers from across North America, New Zealand, Australia, Great Britain, and beyond. *Non-profit*

Match Requirements: Two of the events recommended for funding did not include a match equivalent to their recommended awards. For these applications, staff is requesting approval of the recommended amount on the condition they submit documentation of matched paid expenses. Otherwise, the award amount shall be reduced to the documented match provided.

Other Grant Requirements: Of the applications received, two did not meet the requirements necessary to be considered.

1. Redmond Children’s Business Fair: The event is limited in its audience, did not generate traffic to local businesses or night’s stay, did not include a matched revenue source, and the submitted application was incomplete.
2. Redmond Virtual: The application is not for an actual event, but rather a service for digital imagery of the City currently available through other tools. The application was incomplete and did not align with the criteria.

Conflicts of interest can occur due to a requirement that the board members must either be an entity for which the tax is charged or an entity that can receive grant dollars. Additionally, it is encouraged that members are active in the community and tourism.

Two of the four members of LTAC have conflicts of interest on six of the grant applications submitted. For the following applications, members with any association exited the meeting during discussions, review or recommendations of the following events:

1. World Whiskey Day 2021
2. Fuel the Dragon 2021
3. Festival of Color 2022
4. Ananda Mela 2022
5. Vegetarian and Vegan Festival 2022
6. World Whiskey Day 2022

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
Application window June 15, 2021-August 15, 2021
- **Outreach Methods and Results:**
 - Application notification via e-mail
 - Application window notification via enews
 - Application window messaging from local partners
- **Feedback Summary:**
A few event producers staff spoke with shared that due to COVID-19 much is still unknown about whether 2022 events will be a viable option. They asked if there would be additional opportunities in 2022 for grants. Staff is planning an additional window in late Q1 or early Q2.

BUDGET IMPACT:

Total Cost:

A combined total of \$162,500.

A total of \$137,500 for matching grants as recommended by the Lodging Tax Advisory Committee for City Council's approval and \$25,000 in additional dollars for City produced events.

Approved in current biennial budget: Yes No N/A

Budget Offer Number:

000250 - Community and Economic Development

Budget Priority:

Vibrant and Connected

Other budget impacts or additional costs: Yes No N/A

If yes, explain:

N/A

Funding source(s):

Lodging Tax

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
10/12/2021	Committee of the Whole - Planning and Public Works	Receive Information

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
11/1/2021	Special Meeting	Approve

Time Constraints:

The 2021 grants need to be closed out by December 15, 2021. If a decision is delayed it may jeopardize the applicant's timely ability to provide all necessary materials required for state reporting and reimbursements.

ANTICIPATED RESULT IF NOT APPROVED:

If the LTAC recommendation is not approved, proposed events would not receive matching grant funds from the City and may be unable to proceed as planned.

ATTACHMENTS:

- A. 2021 Tourism Outline and FAQ
- B. Grant Application Matrix
- C. Slides
- D. LTAC Meeting Minutes, September 24, 2021

Tourism Council Outline

- **How did the Lodging Tax Advisory Committee begin?**

An advisory committee was assembled in accordance with the State regulations to weigh-in on the creating of a hotel/ motel tax.

- **When was Committee and Tax implemented?**

- 1998 LTAC was formed
- 1999 the Lodging tax was implemented
- Funding for this program is made possible through revenues Redmond collects from a one percent (1%) lodging tax on the rental of hotel/ lodging rooms in Redmond.

- **Where does the funding come from?**

A 1% tax is charged on each overnight stay at Redmond hotels and motels.

- **How is the revenue from the lodging tax used?**

LTAC advised the City Council on a four-way split use of the tax. It was adopted by City Council in 2014.

Use of the revenue is split into the following:

- 2% for administration of the program
- 50% for marketing
- 39% city events and programing
- 9% to event matching grants

- **What are the goals and limitations of the revenue?**

- Must be used to attract visitors external to the city. Due to the funding being generated by our local hotels, grants and uses of the tax revenue often prioritizes efforts that will support hotels night stays, but attraction of external visitors to our small businesses and enrichment of the community is also heavily weighted.
- As an example, events that would likely draw only Redmond residents in majority would not align with the goals of the tax.

- **Who is the Lodging Tax Advisory Committee (LTAC) comprised of?**

Per state regulations, the LTAC is required to be comprised of four hoteliers and three persons who are associated with organizations that could benefit directly from the tax such as, venues or organizational representatives that hold events

- **Are there any conflicts of interests?**

Due to the requirements for holding a seat on the board, there is potential for frequent potential conflicts of interest. In past years several members have had events proposed for grant funding or supported events requesting funding. Their participation does not impact the potential value an

event does or does not have. However, when discussion or forwarding recommendations for grants awards those with conflicts are excluded from the review discussions or recommendation decisions.

- **What authority does the committee have?**

- LTAC does not have any assigned authority. Technically speaking their only codified responsibilities are to weigh-in or advise on:
 - Creation of a tax
 - Repeal or modification of the tax
 - How the tax revenue is used (the assigned split).
- They do not have formal decision or recommendation authority decision on grant applications or any other program level components.
- Due to the limited authority and role assigned to LTAC, and requirements to be on the board it is often difficult to fill vacancies.
- This is an area to be revisited as part of the 2022 workplan.

- **When does the board meet?**

Again, due to the limited duties and authority of LTAC they meet in frequently between 2-4 times per year. Their meetings are notices and posted in-advance.

- **Why are there are no meeting minutes for previous years?**

- This was a training issue that has been since rectified. The Clerk's office has consolidated oversight of all boards and commissions and are working directly with staff liaisons to create uniformed consistency with both state and local regulations.
- All future LTAC meetings will have posted agendas and meeting minutes uploaded following adoption of them at next meeting. Staff plans to post draft notes as meetings are typically several months apart.

- **What are the planned updates to the program for 2021 and 2022?**

- Staff resources and time have been dedicated to responding to COVID-19 while events were unable to take place. Staff also used the past year to complete an in-depth review and audit of the program.
- Some updates have been made to the applications to gather more data and ensure increased consistency with performance outcome reporting and alignment with State requirements.
- An interim weighted ranking for grant applications applied for through October 2022.
- A larger update to the program will take place next year.

- **What is on the 2022 workplan?**

- Draft formal rules and procedures for the committee
 - When will LTAC meet, setup regular schedule

- Other guidance or operating procedures
 - Provide Council an annual update
 - Grant outcomes
 - Workplan
 - Questions or support needed
 - Review current assigned uses of lodging tax dollars
 - Review and begin revising Tourism Strategic Plan.
 - The Tourism Strategic Plan has not been updated in nearly ten years and is outdated. Staff have requested LTAC's support and feedback in the updating of the plan.
 - While this is not a defined role, LTAC's insight and input would be extremely valuable in defining the goals of tourism programming.
 - Refine grant criteria and present to Council for feedback
 - A few additional areas for related discussion as well include:
 - Consider barriers: Cost of production
 - All forms of accessibility
 - Type organizations or events to be prioritized
 - Collection of data/ survey methods
 - Joint meeting with Council in 2022
 - Consider one to two programs for spring and/or summer
- **Applicable Regulations:**
 - Redmond Municipal Code 4.37
 - [Revised Code of Washington](#)

2021 Weighted Evaluation	Scoring Method	Crossfire Select	Hispanic Heritage Month Celebration	Redmond Children's Business Fair	Redmond Saturday Market	Redmond Virtual	Seattle World Whiskey Day	Fuel the Dragon
Will the event attract external visitors and not have a primary audience of Redmond residents?	Yes (greater than 40% of attendees)= 3 Somewhat (15-30% of attendees)=2 very small amount (5-10%)=1 No=0 (a No to this question disqualifies the application as it is not a flexible criteria)	3	3	0	0	1	3	1
Attendance scale	1000 or greater =3 500-999 =2 100-499= 1	3	2	1	3	3	2	1
Will the event build a new audience for the City. Example spectators for a sport not previously held in the City or other activity the City has not previously attracted guests for.	Yes=3 Somewhat=2 No=0	0	3	0	0	0	2	2
event increases awareness of the City's amenities, history, facilities, and natural environment	Yes=3 Somewhat=2 No=1	2	2	2	1	2	2	1
does the event include volunteer involvement, inter-jurisdictional, corporate, business and/or civic organization	Yes=3 No=0	0	3	0	0	0	3	3
Project benefits a segment of the community or the overall community	Segment=1 Overall=3	1	3	1	3	3	3	1
Project has additional funding sources supporting the event?	Yes=3 No=0	3	3	0	3	0	3	3
Is the event innovative or offer something unusual or unique?	Yes=3 Somewhat=2 No=1	1	3	3	1	2	1	2
is this the event's first year in Redmond?	Yes=3 No=0	0	3	1	0	3	0	0
Has the event taken place for more than three years?	Yes=3 No=1	3	1	3	3	1	1	1
Is the event producer women, veteran or BIPOC ran?	Yes=3 No=2	2	3	1	3	2	3	3
Does this event support awareness of City objectives	Yes=3 Somewhat=2 No=1	2	3	3	2	2	2	3
Generate nights stays	none-0.9%=0 small amount in comparison to attendance (1-3%)=1, medium=3 (4-10%), Large=5 (more than 10% of attendance)	5	1	0	0	0	3	1
	Support= 3 Neither=1 detract=0	3	3	1	1	1	3	3
If event held previously, did it meet or exceed projected attendance?	Yes=3 N/A=0 No= -1	3	0	0	0	0	-1	0
If event held previously, did it meet or exceed projected nights stay?	Yes=3 N/A=0 No= -1	3	0	0	0	0	-1	3
Is the event produced by a non-profit or not for profit?	Yes=3 No=0	0	3	0	0	0	3	3
Is the event eligible for other City grants?	Yes=0 No=2	2	0	2	2	2	2	0
Totals	total score/ ranking of each application	36	39	18	22	22	34	31
Do they meet minimum criteria?		yes	yes	No	Somewhat	No	Yes	yes
Amount requested for grant	amount applicant requested	\$ 16,000	\$ 10,000	\$ 2,000	\$ 20,000	\$ 9,975	\$ 10,000	\$ 4,000
Additional event revenue	amount of additional funding event will have. This is the amount they are demonstrating they can meet the match with.	\$ 76,000	\$ 3,000	\$ 1,000	\$ 110,000	\$ -	\$ 66,000	\$ 11,800
match achieved via proposal?	Did the application show they can match what they are requesting?	yes	no	no	yes	no	yes	yes
Maximum Amount that could be granted for match?	the total amount that could be award of what the applicant requested based upon the match in funding / expenses they have indicated within their application	\$16,000	\$3,000	\$0	\$20,000	\$0	\$10,000	\$4,000
LTAC Recommended award amount:		\$16,000	\$10,000		\$5,000		\$10,000	\$4,000
LTAC notes (optional):			Awarded amount is conditional pending the applicant demonstrates a full match to the award. Otherwise the award amount that is reimbursable shall be reduced to the amount matched.	Event does not meet basic criteria or promote core focuses of Lodging tax dollars. Staff has requested that OneRedmond reach out to event producer on other sponsorship and grant opportunities. The event is valuable to the community.	For future grant participation would like to see applicant planning for location that aligns with tourism goals. Current location does not offer residual support of local businesses, city facilities or amenities. As documented in application event does not have significant external draw or generate stays. B/C of current location the external draw generated is not then likely to use other Redmond businesses as it had before. Portion of quoted expenses appear to be general business operation costs and will limit grant award.	Not an event. Does not have funding sources. Does not provide service beyond what is available on google maps. Appears to be a grant application that is actually a request for payment of a service the City is not seeking at this time. Application not completed in full.		
LTAC members recused from discussion and recommendation							Carson	Carson, Sambamurti

\$45,000

Redmond Lights	Cultural Art Connections
2	2
3	3
2	2
3	3
3	3
3	3
3	3
1	2
0	0
3	3
2	2
2	3
1	0
3	3
3	3
0	0
2	2
2	3
39	40
N/A	N/A
\$ 50,000	\$ 25,000
\$ 95,000	\$ 52,580
yes	yes
\$50,000	\$25,000
City Event	City Event

2022 Weighted Evaluation	Scoring Method	Cinco de Mayo	International Track Cycling	NAMI Eastside Youth Mental	Redmond Saturday Market	USA Gymnastics	Seattle World Whiskey Day	Anada Mela	Festival of Color	Vegan Festival
Will the event attract external visitors and not have a primary audience of Redmond residents?	Yes (greater than 40% of attendees)= 3 Somewhat (15-39% of attendees)=2 very small amount (5-10%)=1 No=0 (a No to this question disqualifies the application as it is not a flexible criteria)	3	2	3	0	3	2	3	2	3
Attendance scale	1000 or greater =3 500-999 =2 100-499= 1	3	3	1	3	2	3	3	3	3
Will the event build a new audience for the City. Example spectators for a sport not previously held in the City or other activity the City has not previously attracted guests for.	Yes=3 Somewhat=2 No=0	2	0	3	0	3	0	2	2	2
event increases awareness of the City's amenities, history, facilities, and natural environment	Yes=3 Somewhat=2 No=1	3	2	2	1	2	2	2	2	2
does the event include volunteer involvement, inter-jurisdictional, corporate, business and/or civic organization	Yes=3 No=0	3	0	3	0	3	3	0	3	0
Project benefits a segment of the community or the overall community	Segment=1 Overall=3	3	1	1	3	1	3	3	3	3
Project has additional funding sources supporting the event?	Yes=3 No=0	3	3	3	3	3	3	3	3	3
Is the event innovative or offer something unusual or unique?	Yes=3 Somewhat=2 No=1	2	1	2	1	1	1	2	2	1
is this the event's first year in Redmond?	Yes=3 No=0	0	0	0	0	3	0	0	0	0
Has the event taken place for more than three years?	Yes=3 No=1	1	3	1	3	1	3	3	3	1
Is the event producer women, veteran or BIPOC ran?	Yes=3 No=2	3	3	3	3	3	3	3	3	3
Does this event support awareness of City objectives	Yes=3 Somewhat=2 No=1	3	2	2	2	2	2	3	3	2
Generate nights stays	none-0.9%=0 small amount in comparison to attendance (1-3%)=1, medium=3 (4-10%), Large=5 (more than 10% of attendance)	0	3	5	0	1	3	0	0	0
Is the event likely to support or detract from local businesses	Support= 3 Neither=1 detract=0	0	3	3	1	3	1	3	0	0
If event held previously, did it meet or exceed projected attendance?	Yes=3 N/A=0 No= -1	3	0	0	0	0	-1	-1	0	0
If event held previously, did it meet or exceed projected nights stay?	Yes=3 N/A=0 No= -1	3	0	0	0	0	-1	-1	0	0
Is the event produced by a non-profit or not for profit?	Yes=3 No=0	3	3	3	0	3	3	3	3	0
Is the event eligible for other City grants?	Yes=0 No=2	0	2	2	2	2	2	0	0	2
Totals	total score/ ranking of each application	38	31	37	22	36	32	31	32	25
Do they meet minimum criteria?		yes	yes	yes	somewhat	yes	yes	yes	yes	yes
Amount requested for grant	amount applicant requested	\$ 22,000	\$ 7,500	\$ 10,000	\$ 20,000	\$ 8,000	\$ 15,000	\$ 20,000	\$ 20,000	\$ 20,000
Additional event revenue	amount of additional funding event will have. This is the amount they are demonstrating they can meet the match with.	\$ 10,000	\$ 18,500	\$ 5,000	\$ 131,000	\$ 37,000	\$ 50,000	\$ 100,000	\$ 40,000	\$ 60,000
match achieved via proposal?	Did the application show they can match what they are requesting?	no	yes	no	yes	yes	yes	yes	yes	yes
Maximum Amount that could be granted for match?	the total amount that could be award of what the applicant requested based upon the match in funding / expenses they have indicated within their application	\$10,000	\$7,500	\$5,000	\$20,000	\$8,000	\$15,000	\$20,000	\$20,000	\$20,000
LTAC Recommended award amount:		\$22,000	\$7,500	\$5,000	\$5,000	\$8,000	\$10,000	\$15,000	\$10,000	\$10,000
LTAC notes (optional):		Awarded amount is conditional pending the applicant demonstrates a full match to the award. Otherwise the award amount that is reimbursable shall be reduced to the amount matched.			For future grant participation would like to see applicant planning for location that aligns with tourism goals. Current location does not offer residual support of local businesses, city facilities or amenities. As documented in application event does not have significant external draw or generate stays. B/C of current location the external draw generated is not then likely to use other Redmond businesses as it had before.				learn more about alignment with goals from event outcomes for next year.	LTAC would like to learn more about attendance from event outcomes for next year.
LTAC members recused from discussion and recommendation							Carson	Sambamurti	Sambamurti	Sambamurti

2022 2021 TOTAL
\$92,500 \$45,000 \$137,500

Community Events	Cultural Arts Program
2	2
3	3
2	2
3	3
3	3
3	3
3	3
1	2
0	0
3	3
2	2
3	3
42	41
N/A	N/A
\$ 100,000	\$ 50,000
\$ 241,000	\$ 52,000
yes	yes
\$100,000	\$50,000
City Events	City Events

Tourism Matching Event Grants

October 19, 2021

Sarah Pyle, Community Development and Implementation Manager



Redmond
WASHINGTON 125

Purpose

- Provide Council and the community an outline of the tourism program
 - How the program began
 - Revenue split
 - Committee authority
 - Program structure
 - 2022 workplan
- Seek approval of the 2021 and 2022 event matching grants



Project Overview

- The City approves annual grants for locally held events that draw in visitors from outside of the city.
- Events help promote local tourism, overnight stays, local amenities, and support small businesses.



When and why did Lodging Tax and Advisory Committee begin?

- 1998 - Advisory committee was assembled
- 1999 - Council implemented 1% lodging tax on overnight stays at Redmond hotels or motels



How is the Revenue from the Tax Used?

The committee advised, and in 2014 the City Council passed:

- 2% - administration of the program
- 50% - marketing
- 39% - city events and programming
- 9% - event matching grants



What are the Goals and Limitations of the Revenue?

- Attract visitors external to the city
- Prioritizes efforts that will support hotels night stays
- Attract external visitors to small businesses
- Events that only draw residents would not meet funding requirements



Who is the Lodging Tax Advisory Committee (LTAC) Comprised of?

- Three hoteliers
- Three persons associated with organizations that could benefit from tax
- Council Chair



What Authority Does the Committee Have?

LTAC's codified responsibilities are to weigh-in or advise on:

- 1) Creation of a tax
- 2) Repeal or modification of the tax
- 3) How revenue is used (currently four-way split)

(RMC 4.37)



When Does LTAC Meet and How Are Meeting Minutes Managed?

- LTAC meets infrequently between 2-4 times per year
- The Clerk's office has consolidated oversight of all boards and commissions
- Future LTAC meetings will have posted agendas and meeting minutes uploaded
- Meeting minutes are currently posted from the 9/24 meeting



Tourism Plan Updates for 2021 and 2022

- In-depth review and program audit
- Updates to grant application forms and material have been made
- Interim weighted ranking for grant applications applied through October 2022



2022 Workplan

- Draft formal rules and procedures for the committee
- Member recruitment
- Provide Council an annual update
 - Grant outcomes
 - Workplan
 - Questions or support needed
- Review current assigned uses of lodging tax dollars
- Review and begin revising Tourism Strategic Plan
- Refine grant criteria and present to Council for feedback
- Joint meeting with Council in 2022
- Consider one to two programs for spring and/or summer



2021 and 2022 Tourism Matching Grants

- 16 Applications received
- 14 Recommended for approval
- 2 Do not support criteria objectives or requirements
- 2 Do not meet complete match

All evaluated against interim weighted ranking system



Recommendation

Event Matching Grants

- Approve the 14 applications recommended for a total amount of \$137,500
 - Conditionally approve the three applications not meeting the match
 - \$121,000 approx from end fund balance for matching event grants



Community Events

- \$25,000 from end fund balance



Thank you

Any Questions?



Redmond
WASHINGTON



Lodging Tax Advisory Committee (LTAC)

David Carson, Chair
Dan Angellar
Dave Norwood
Latha Sambamurti

The Governor's order, implementing temporary changes to the Open Public Meetings Act, was extended by the legislature and remains in effect until the COVID-19 state of emergency is lifted, or until rescinded by gubernatorial or legislative action. While these changes are in effect, the Redmond Lodging Tax Advisory Committee meetings will be held remotely. Interested members of the public can listen to this meeting by phone at: 510-335-7371.

DRAFT MEETING MINS

Friday, September 24, 2021
10 am

Sarah Pyle, Staff Liaison spyle@redmond.gov

LTAC Members:

- ✓ David Carson, Chair
- ✓ Dan Angellar
- ✓ Dave Norwood
- ✓ Latha Sambamurti

City of Redmond Staff:

- ✓ Sarah Pyle

Guests:

- ✓ Peter Klauser, Bullseye Creative

Agenda:

1. Vacancy – update/intro of new member(s)
2. Budget update
3. Marketing update
 - a. General marketing efforts
 - b. Outcome of Geekout Gold
 - c. Upcoming
4. 2022 Workplan update/action for development
 - Draft formal rules and procedures for the committee
 - Recruitment of LTAC members (need one hotel & two event/business/ org)

- ❑ Provide Council an annual update
 - Grant outcomes
 - Workplan
 - Questions or support needed
- ❑ Review current assigned uses of lodging tax dollars- *2023 confirmation or revision*
 - Review right sizing of support to the program/ admin
 - City events (39%) vs external grants (9%)
 - *Event recruitments*
- ❑ Review and begin revising Tourism Strategic Plan
- ❑ Refine grant criteria and present to Council for feedback
 - *Affordable*
 - *All forms of accessibility*
 - *Type org*
 - *Collection of data/ survey*
- ❑ Joint meeting with Council planned in 2022
- ❑ Consider one to two programs for spring and/or summer

5. Review of grant requests and council recommendation

- Committee member Sambamurti exited the meeting during discussion and recommendation of the OneRedmond, Vegan Festival, Festival of Color and Anda Mela applications.
- Committee Chair Carson exited the meeting during discussion and recommendation of the OneRedmond and World Whisky days applications.

Recommendation:

- \$45,000 in total event matching for 2021
- \$92,500 in total event matching for 2022 applications.
Total of \$137,500 with approx \$121,000 from end-fund
- \$25,000 from end-fund for city events (\$225k rather than the \$200k allocated)
- Conditionally approve the two applications not meeting the match.