

Issue	Discussion Notes
1. ARCH's impact on affordable housing outcomes.	<p><u>Council Discussion</u></p> <ul style="list-style-type: none"> a. Why is ARCH so valuable for the regional community? b. Why is ARCH so valuable for Redmond (even if HTF units are not always built in Redmond)? c. Why is jurisdictional collaboration so important? <p>Councilmember Stuart</p> <p><u>Staff Comments</u></p> <ul style="list-style-type: none"> a. The mission and structure of ARCH has been elevated as a national model for advancing affordable housing for many years. In the last three decades since ARCH's founding, the impact of the organization has included the creation of roughly 8,000 long-term affordable units across East King County, plus the creation of a shared structure for monitoring and maintaining affordability. ARCH's structure has enabled a consistent and stable source of investment in affordable housing in the region, something that is not possible in areas where jurisdictions don't collaborate and pool resources. In addition, ARCH's structure has facilitated sharing of best practices and policies that may otherwise be slow to spread, as illustrated by the early and now common use of land use incentives to create affordable housing in East King County, compared to other parts of the county. b. Redmond was one of the founding members of ARCH, which was built on the understanding that housing issues don't start and stop at city borders, and a collective commitment to greater affordability across East King County's will benefit all cities in the region. This principle resonates both at the broader market level, and the individual level for people who may work in Redmond and be able to find an affordable home in an adjacent community. c. Jurisdictional collaboration has a variety of benefits, including: cost efficiency through the use of shared resources and infrastructure; the creation of programs that are easier for end-users to navigate (for example, developers applying for funding or people seeking affordable housing); more consistent adoption of best practices among jurisdictions, and the opportunity for greater influence as a coalition versus individual jurisdictions.
2. ARCH's approach to helping keep tenants in their homes.	<p><u>Council Discussion</u></p> <ul style="list-style-type: none"> a. How is ARCH addressing the significant rent increases in affordable units? b. What are ARCH methods to protect people from having to leave affordable ARCH units due to rent increases?

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Councilmember Fields	<ul style="list-style-type: none"> c. How many tenants of affordable ARCH units are displaced due to rent increases? d. What process improvements or program changes could help?
	<p><u>Staff Comments</u></p> <ul style="list-style-type: none"> a. In response to the dramatic increases in allowed rents under current affordable housing contracts and policies, staff requested and the ARCH Executive Board approved the initiation of a policy development process to evaluate alternative options for regulating rent increases in affordable units. This process has been underway since the fall and is expected to result in recommendations to members in the coming months. Separately, ARCH consistently encourages property owners on a voluntary basis to consider the impact of rent increases and avoid unnecessary increases that will lead to economic displacement of current residents, and also to share resources with tenants on any available rental assistance programs. b. ARCH is limited in its authority to alter allowed rent increases based on the terms of each cities' legal agreements with individual property owners. However, ARCH has taken steps to encourage cities to adopt broader regulations that mitigate the impact of rent increases through longer notice periods, and limitations on late fees and move in fees. Some cities, including Redmond, have adopted some or all of these recommendations, and ARCH has since been engaged with outreach and education to make property owners and tenants aware of the new regulations. c. Data on displacement due to rent increases is inherently difficult to obtain, since property owners are not required to track the reasons for tenants' decision not to renew their leases. In its 2022 reporting cycle, ARCH is requesting that property owners voluntarily share information on evictions from affordable units, and can make this data available to Redmond if requested. d. The revision of regulations to modify the policy for affordable rent increases will be critical to ensure that future projects will have more reasonable increases. ARCH staff are also currently working on creating and distributing a more in-depth renter resource guide so that existing households can access available assistance more easily, and be informed about applicable regulations intended to protect their tenancies. Continued investments in rental assistance are also important.
<p>3. ARCH Housing Production</p> <p>Councilmember Kritzer</p>	<p><u>Council Discussion</u></p> <ul style="list-style-type: none"> • What is the historical amount of unit production from the Housing Trust Fund for Redmond and for the ARCH region?

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	<p><u>Staff Comments</u></p> <p>The Trust Fund has invested in 1,423 affordable units in Redmond, out of a total of 6,083 units/beds in the ARCH region (including 2022 recommended projects and others in the pipeline).</p>
<p>4. ARCH Oversight</p> <p>Councilmember Kritzer</p>	<p><u>Council Discussion</u></p> <ul style="list-style-type: none"> a. How does ARCH evaluate the housing providers who steward Housing Trust Fund projects? b. What oversight does ARCH have for housing provider partners for HTF projects? <ul style="list-style-type: none"> o Considerations like physical unit conditions, rent increases, etc. <p><u>Staff Comments</u></p> <ul style="list-style-type: none"> a. The funding application used by ARCH and public funders across Washington State includes a variety of information to evaluate applicants' organizational capacity and performance, including organizational financial audits, description of active workouts on current projects, management plan including on-site management and services provided, and overall approach to asset management and long-term portfolio planning. ARCH also coordinates closely with other public funders who have joint investments in past projects to identify any current areas of concern. This information is summarized and discussed by ARCH's Community Advisory Board, which is responsible for developing recommended funding conditions that address potential risks. b. On an annual basis, ARCH collects annual reports through the statewide Web-Based Annual Reporting System (WBARS), which serves as the compliance reporting system for state and local public funders of affordable housing. ARCH has historically prepared a portfolio analysis to evaluate the financial condition of the properties, measuring key benchmarks such as net cash flow, availability of replacement reserves and other factors. ARCH does not have staff to perform physical inspections, but maintains relationships with the public agencies that do conduct inspections, and will be seeking to enter formal MOUs with those agencies to promote coordination and allow access to inspection reports.
<p>5. ARCH and Redmond</p> <p>Councilmember Anderson</p>	<p><u>Council Discussion</u></p> <ul style="list-style-type: none"> a. From ARCH's perspective: what's a challenge that Redmond can help ARCH overcome? b. What are 3 things that ARCH staff are really excited about for the near future?

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	<p><u>Staff Comments</u></p> <ul style="list-style-type: none"> a. Redmond has been one of ARCH's most important members and partners over the years, and has the opportunity to play a leadership role within ARCH by advancing bold policies and helping to build support for similar actions across the coalition through building and sustaining relationships with other member jurisdictions at the staff and elected levels. b. ARCH staff have been thrilled to see a broad coalition come together across its members to support a dedicated local Real Estate Excise Tax, which is currently in discussion by the legislature and would be a game-changer for local efforts to build affordable homes. We are also excited for the major opportunities to invest in affordable housing on public surplus properties, including in Redmond, Bellevue, Kenmore, and Bothell. Finally, we are excited to be building out our team to provide a greater level of services and meet the growing level of interest in affordable housing among our members.
<p>6. State legislature impacts to housing.</p> <p>Councilmember Stuart</p>	<p><u>Council Discussion</u></p> <ul style="list-style-type: none"> a. What are state legislature bills (signed by Governor or will be signed by Governor) which impact pursuit of housing related outcomes? <p><u>Staff Comments</u></p> <ul style="list-style-type: none"> a. This is a huge topic, and there has been an overwhelming number of bills that would impact housing, from local and state funding bills to state-required land use and regulatory mandates and rental regulations aimed at the dramatic rent increases occurring across the state. It is too early to tell which bills will be adopted, but the level of attention and interest among legislators on this topic is a major opportunity for our state to make real progress on the issue.
<p>7. ARCH Waitlist and Information Sharing</p> <p>Councilmember Forsythe</p>	<p><u>Council Discussion</u></p> <ul style="list-style-type: none"> a. Does ARCH keep a waitlist for affordable rentals? b. Do the individual apartments keep their own affordable housing waitlists? c. If a property does not have a waitlist, how are the affordable housing units distributed? d. Are there metrics for the average wait time for an individual to acquire an affordable unit? e. Do we have metrics for the average time for an ARCH response to a question sent to info@archhousing.org?

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	<ul style="list-style-type: none"> f. Is there a rough estimate of how many emails the ARCH info address receives a day (or week / month / year, etc.)? g. How often is the ARCH Apartment list updated? <p><u>Staff Comments</u></p> <ul style="list-style-type: none"> a. No, ARCH does not maintain a waitlist both because of staff capacity and because the application and selection process is ultimately controlled by individual private property owners and managers. ARCH does maintain a mailing list that now has over 7,000 households on it (and growing rapidly), and sends notices to this list about unit availability. However, not all properties choose to share their vacancies with ARCH's mailing because of the overwhelming number of calls and applications this can generate. b. Based on past communications, some but not all properties maintain waitlists. ARCH is surveying properties this year to gain a more comprehensive understanding of how properties handle vacancies, and gauge interest in advertising vacancies on ARCH's website or other portal to help relieve the burden of people calling to find vacancies. However, ARCH currently only has 1 FTE dedicated to its Rental Program, which has 72 properties and over 2,000 rental units, and any expansion of ARCH's functions would require evaluation of staffing needs. c. Properties that don't maintain waitlists will market vacancies as they become available. Most units are filled very rapidly. d. ARCH does not currently have a way to collect data on individuals seeking housing and how long they must search before finding an available affordable unit. However, based on anecdotal information, the experience varies widely based on a household's individual circumstances, but the overall trend is a growing demand with longer wait times. e. ARCH does not track response time information for all email communications but we do state our intent to return all email in 3 to 5 business days. Actual response times are typically faster, however this can be impacted during periods of high call/email volumes, such as when a new home is listed for sale. f. The number of emails is not tracked but if given more time, staff estimate anywhere from 20 - 100 per day depending on the time of year and whether there is an active marketing effort going on. We do track the number of Mailing List applications, which have increased significantly the last couple years: <ul style="list-style-type: none"> ▪ 885 new subscribers in 2020 ▪ 2,677 in 2021 ▪ 4,319 in 2022 g. The ARCH Apartment list is updated monthly, or as needed when new properties are added or contact information changes.

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8. Affordable housing need quantified.

Councilmember Forsythe

Council Discussion

- a. What is the need for affordable housing in our community? Is there a specific number?

Staff Comments

- a. There are several ways to consider the need for affordable housing in our community.
 - o Per the King County Countywide Planning Policies (CPPS), there is demand for 18,045 additional housing units at 0-100% AMI, by 2044, in Redmond.
 - o However, the demand is limitless for practical purposes because housing is so expensive in the region.
 - Populations would likely shift to Redmond if there were more deeply affordable units (assuming people could get to their employment, housing unit met their family size needs, etc.)

NET NEW PERMANENT HOUSING UNITS NEEDED IN REDMOND; 2019-2044									EMERGENCY
	0-30% AMI		>30-50% AMI	>50-80% AMI	>80-100% AMI	>100-120%	>120%	Total	Emergency Housing
	Non-PSH	PSH	3,863	2,720	296	335	1,620	20,000	3,714
NET NEW Redmond Units 2019-2044	6,966	4,200							

*PSH = Permanent Supportive Housing