



Memorandum

Date: 3/18/2025
Meeting of: City Council

File No. AM No. 25-039
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	Seraphie Allen	Deputy Director
Planning and Community Development	Jeff Churchill, AICP	Planning Manager
Planning and Community Development	Ian Lefcourte, AICP	Senior Planner

TITLE:

Approval of the 2025-26 Budget and Work Program for A Regional Coalition for Housing (ARCH), and, Adoption of a Resolution Approving the Allocation of \$1,056,800 to A Regional Coalition for Housing (ARCH) for the Development of Affordable Housing

- a. Resolution No. 1601: A Resolution of the City Council of the City of Redmond, Washington, Authorizing the Duly-Appointed Administering Agency for A Regional Coalition for Housing (ARCH) to Execute all Documents Necessary to Enter into Agreements for the Funding of Affordable Housing Projects, as Recommended by the ARCH Executive Board, Utilizing Funds from the City’s Housing Trust Fund

OVERVIEW STATEMENT:

2025-26 Administrative Budget and Work Program:

City staff and the ARCH Executive Board recommend that the City Council approve the 2025-26 Budget and Work Program for A Regional Coalition for Housing (ARCH). The 2025 ARCH Budget and Work Program is required to be approved by each of the 16 member councils that are party to the Interlocal Agreement.

ARCH was created in 1992 through an interlocal agreement between several eastside cities and King County. ARCH assists member governments in developing housing policies, strategies, programs, and development regulations; coordinates members’ financial support to groups creating affordable housing; and assists people looking for affordable rental and ownership housing. In 2024, the ARCH Executive Board adopted a [Strategic Plan <https://www.archhousing.org/s/ARCH-Strategic-Plan-2024.pdf>](https://www.archhousing.org/s/ARCH-Strategic-Plan-2024.pdf) designed to “Build More Affordable Housing Faster”. The proposed budget and work program support implementation of the strategic plan.

The proposed 2025-26 administrative budget request to Redmond is \$293,990 in 2025 and \$304,655 in 2026. This represents a 25% increase from the 2024 budget to 2025, and a 4% increase from 2025 to 2026. The increase provides expanded staffing capacity (two new full-time employees) and ensures staffing can maintain current levels of support for administering local housing programs, including the ARCH homeownership program, ARCH rental program and local incentive programs. The two new FTEs will predominantly be focused on (1) state and regional strategies to advance policies/funding necessary to broadly increase production of affordable housing; and (2) local strategies to advance

more development opportunities through use of surplus properties, community partnerships, and zoning tools. The budget also includes some basic inflationary increases.

The 2025-26 Budget and Work Program details are provided in **Attachment A**.

Resolution Approving Allocation of Housing Trust Funds:

Staff recommends that the City Council adopt a resolution (**Attachment B**) to authorize the allocation of \$1,056,800 from the Housing Trust Fund to A Regional Coalition for Housing (ARCH) to finance affordable housing projects in East King County communities per the December 2024 Housing Trust Fund (HTF) Recommendations (**Attachment B, Exhibit A**).

The ARCH Executive Board reviews funding requests received from non-profit housing providers every fall for projects related to affordable housing. The ARCH Executive Board provides recommendations to member Councils for funding early the following year. These recommendations must be approved by member Councils. This process is conducted annually.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

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

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
The Comprehensive Plan Housing Element provides a framework for housing goals, policies, and actions to address housing needs that advance the City’s vision. Redmond 2050 Housing Policies HO-17 and HO-23 direct the City to cooperate with A Regional Coalition for Housing (ARCH) to attain a variety of housing process and outcome goals.
- **Required:**
The ARCH Interlocal Agreement of 1992 as amended in 2010 requires that both 1) ARCH work program and budget and 2) funds for affordable housing, 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:

2025-26 Administrative Budget and Work Program:

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 in **Attachment A**.

Resolution Approving Allocation of Housing Trust Funds:

The ARCH Executive Board concurred with the recommendations of the ARCH Community Advisory Board and recommends allocation of municipal Housing Trust Funds totaling \$4.3 million for three housing efforts with a total of 245 units. The total request of Redmond is \$1,056,800.

1. Aventine
 - a. Funding Request of Redmond: \$221,200
 - b. Affordable Units: 66
 - c. Located in Bellevue
2. Larus
 - a. Funding Request of Redmond: \$835,600
 - b. Affordable Units: 175
 - c. Located in Kenmore

The third housing effort, Emily House, will be awarded funds from two sources: Community Development Block Grant (CDBG) and Issaquah's Inclusive Housing Investment Pool (IHIP). As such, there are no funds requested from the City of Redmond.

3. Emily House
 - a. Funding Request of Redmond: \$0
 - b. Affordable Units: 4
 - c. Located in Issaquah

Further information is contained in **Attachment B**.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
Annual process.
- **Outreach Methods and Results:**
Budget Work Program: Opportunity for input through Council review process.

HTE: ARCH staff met with member cities' planning and human services staff to conduct a preliminary review of applications before forwarding applications to the Community Advisory Board (CAB). The CAB is recruited using public notices, website announcements, and email communications with the help of member cities. The CAB is appointed by the Executive Board.

- **Feedback Summary:**
Any work program feedback provided will be summarized by staff and provided to Council.
2024 Award Recommendations are included in **Attachment B, Exhibit A**.

BUDGET IMPACT:

Total Cost:

Total: \$1,300,158

- \$234,358 for the City of Redmond contribution to 2025-26 ARCH administrative budget.
- \$1,056,800 for the City of Redmond contribution to the 2024 Housing Trust Fund Award.

Approved in current biennial budget: Yes No N/A

Budget Offer Number:

Administrative Budget and Work Program: 0000307 Housing and Human Services

HTF: CIP Budget - Citywide Investments

Budget Priority:

Vibrant and Connected

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

If yes, explain:

N/A

Funding source(s):

Administrative Budget and Work Program: General Fund

HTF: Capital Investment Program (CIP); functional area: General Government

Budget/Funding Constraints:

HTF funds are dedicated to providing increased affordable housing choices for a diverse population through contributions to ARCH (A Regional Coalition for Housing)

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
3/4/2025	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 2025-26 ARCH Work Program and Budget.

Timely approval of the ARCH Executive Board request for the Housing Trust Fund recommendations will allow for the timely allocation of funds for affordable housing in East King County.

ANTICIPATED RESULT IF NOT APPROVED:

If not approved, ARCH would not have Redmond funds to contribute to its 2025-26 operations and implementation of its work program. Failure to approve these funds would violate the terms of the interlocal agreement with ARCH and the other member jurisdictions.

If not approved, ARCH will not have Redmond funds to contribute to the regional efforts to advance affordable housing projects that meet urgent local priorities.

ATTACHMENTS:

Attachment A: ARCH Memo to Councils - 2025-26 ARCH Budget and Work Program

Attachment B: Resolution - Draft

Exhibit A. ARCH Memo to Councils - ARCH 2024 Award Recommendations Binder