

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

**BEAUX ARTS VILLAGE ♦ BELLEVUE ♦ BOTHELL ♦ CLYDE HILL ♦
HUNTS POINT ♦ ISSAQUAH ♦ KENMORE ♦ KIRKLAND ♦ MEDINA ♦ MERCER ISLAND
♦ NEWCASTLE ♦ REDMOND ♦ SAMMAMISH ♦ WOODINVILLE ♦ YARROW POINT ♦
KING COUNTY**

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.