



MEMO TO: Parks and Human Services Committee of the Whole

FROM: Sarah Stiteler, AICP, Senior Planner

DATE: February 4, 2020

SUBJECT: A Regional Coalition for Housing (ARCH) Affordable Housing and 2019 Fall ARCH Executive Board Housing Trust Fund Recommendations

I. PURPOSE ☐ For Info Only ☐ Potential Agenda Item ☒ Scheduled for Council Action

II. RECOMMENDATION

Schedule for the February 25 Study Session with Council action (Consent) March 3, 2020.

The February 25 study session will include a presentation on the proposed ARCH Housing Trust Fund Recommendations by Lindsay Masters, Executive Manager of ARCH.

III. DEPARTMENT CONTACTS

Carol Helland, Interim Director	425-556-2107
Beverly Mesa-Zendt, LR & Human Services Manager	425-556-2423
Sarah Stiteler, Senior Housing Planner	425-556-2469
<i>Planning and Community Development</i>	

IV. DESCRIPTION/BACKGROUND

ARCH is a partnership of the County and East King County Cities who have joined together to assist with preserving and increasing the supply of housing for low- and moderate-income households in the region. 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.

Services that ARCH provides to Redmond include:

- Administration of Housing Incentive and Inclusionary Programs: in Redmond this includes the inclusionary and Multifamily Property Tax Exemption (MFTE) programs;
- Stewardship of Affordable Housing Assets: ARCH monitors the condition of affordable rental and homeowner units;

- Education and Outreach: Public information and outreach about affordable housing and available programs, including assistance to community members seeking affordable housing.

As a member of ARCH, the Redmond City Council takes action each year on three recommendations of the ARCH Executive Board, which is comprised of the mayors or city managers of the member cities:

- **2020 ARCH Administrative Budget**
 - The ARCH administrative budget provides fiscal information about the organization with requests for member annual contributions. The administrative budget is separate from the Housing Trust Fund which is used to fund housing projects.
- **2020 ARCH Work Program**
 - The ARCH work program contains proposed activities for ARCH's work on behalf of affordable housing in East King County and the region. It also identifies specific work activities for each ARCH member jurisdiction in the area of affordable housing.
- **2020 Fall Housing Trust Fund Allocation:**
 - The ARCH Executive Board reviews funding requests received from non-profit housing providers in the fall with recommendations to member Councils for funding in early spring the following year.

Council approved the 2020 ARCH Work Program and Budget at its December 3, 2019 meeting. The focus of Council's study session on February 25, 2020 will be the ARCH Executive Board's Housing Trust Fund recommendations.

ARCH Housing Trust Fund

The ARCH Housing Trust Fund (HTF) is the primary means by which its members (15 East King County cities and King County) assist in ARCH's mission of affordable housing creation and preservation. With each funding cycle the ARCH Executive Board makes funding recommendations for the best available housing projects consistent with local housing needs and objectives. These recommendations are forwarded to the respective city councils that are requested to participate in project funding in the current funding cycle. The trust fund is capitalized by both local general funds and locally controlled, federal Community Development Block Grant (CDBG) funds. The process allows ARCH members to jointly administer their housing funds that address needs for low and moderate-income individuals and families throughout East King County. Low-income is defined as less than 50% of the King County Area Median Income (AMI) or \$54,300 for a family of four; and moderate-income is defined as less than 80% of the King County AMI or \$86,880 for a family of four.

Housing Trust Fund Recommendations from the ARCH Executive Board are requested for placement on the **March 3, 2020** City Council meeting.

Summary: 2019 Fall ARCH Executive Board Housing Trust Fund Recommendations

The funding requests by the ARCH Executive Board to member cities represent the allocation of both 2018 and 2019 Trust Fund contributions, as no projects were ready for funding in the previous year's funding round.

Project Descriptions: The ARCH Executive Board recommends for approval \$5,001,000 for six new projects, and one supplemental award to a previously funded project. The Board requests funding assistance from the City of Redmond for the following projects:

Proposed ARCH Projects Recommended for Funding	
Name of Project	Proposed Funding
Samma Apts., Bothell Imagine Housing	\$ 242,323 (CDBG)
Men's Permanent Shelter, Eastgate Congregations for the Homeless	\$ 59,980
Polaris at Eastgate Inland Group/Horizon Housing Alliance	\$ 68,980
Together Center Redmond Inland Group/Horizon Housing Alliance	\$ 329,910
Community Homes Shared Living 1; Newcastle	\$ 12,060
Community Homes Adult Family Home 8; TBD	\$ 18,050
Total CIP, non CDBG funds	\$ 488,980
Total for Redmond	\$ 731,303

Detailed descriptions of the projects, funding requests, rationale and recommended conditions of funding for projects by the ARCH Executive Board are included as **Attachment A** to this memo and also will be included with the Study Session memo and the Council packet for the March 3, 2020 Council meeting.

A. Analysis

Council approval is needed to authorize the allocation of funds for projects to the ARCH Housing Trust Fund. The CIP funds were previously allocated for affordable housing/ARCH in the 2019-2020 biennial budget. These projects will further ARCH's mission and Redmond's housing goals to provide a variety of affordable housing options, as recommended by the ARCH Executive Board, see Attachment A.

V. TIME CONSTRAINTS

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

VI. LIST OF ATTACHMENTS

- A. ARCH Executive Board Memo, December 27, 2019 with attachments
- B. Resolution (Draft)