



MEDINA CITY COUNCIL

Monday, April 11, 2022

4:00 PM – REGULAR MEETING

AGENDA

VISION STATEMENT

Medina is a family-friendly, diverse and inclusive community on the shores of Lake Washington. With parks and open spaces, Medina is a quiet and safe small city, with active and highly-engaged residents. Medina honors its heritage while preserving its natural environment and resources for current and future generations.

MISSION STATEMENT

Ensure efficient delivery of quality public services, act as responsible stewards of Medina's financial and natural resources, celebrate diversity, leverage local talent, and promote the safety, health, and quality of life of those who live, work, and play in Medina.



MEDINA, WASHINGTON
MEDINA CITY COUNCIL
CITY COUNCIL REGULAR MEETING

Virtual/Online

Monday, April 11, 2022 – 4:00 PM

AGENDA

MAYOR | Jessica Rossman

DEPUTY MAYOR | Randy Reeves

COUNCIL MEMBERS | Cynthia F. Adkins, Jennifer Garone, Harini Gokul, Mac Johnston, Bob Zook

INTERIM CITY MANAGER | Stephen R. Burns

CITY ATTORNEY | Scott Missall

CITY CLERK | Aimee Kellerman

Virtual Meeting Participation

With the passage of the City's Proclamation of Local Emergency, City Hall is closed to the public. Council participation in this meeting will be by teleconference/online only. Members of the public may also participate by phone/online. Individuals wishing to speak live during the Virtual City Council meeting will need to register their request with the City Clerk at 425.233.6411 or email akellerman@medina-wa.gov and leave a message before 2PM on the day of the April 11th Council meeting. Please reference Public Comments for April 11th Council Meeting on your correspondence. The City Clerk will call on you by name or telephone number when it is your turn to speak. You will be allotted 3 minutes for your comment and will be asked to stop when you reach the 3 minute limit.

[Join Zoom Meeting](#)

Meeting ID: 832 5227 3105

Passcode: 589036

One tap mobile

+12532158782,,83252273105# US (Tacoma)

1. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Council Members Adkins, Garone, Gokul, Johnston, Reeves, Rossman and Zook

2. APPROVAL OF MEETING AGENDA

3. PUBLIC COMMENT PERIOD

Individuals wishing to speak live during the Virtual City Council meeting will need to register their request with the City Clerk at 425.233.6411 or email akellerman@medina-wa.gov and leave a message **before 2PM** on the day of the April 11th Council meeting. Please reference Public Comments for April 11th Council Meeting on your correspondence. The City Clerk will call on you by name or telephone number when it is

your turn to speak. You will be allotted 3 minutes for your comment and will be asked to stop when you reach the 3 minute limit.

4. **PRESENTATIONS**

- 4.1 Senator Kuderer, Representatives Slatter and Walen will address the Council.
- 4.2 Introduction of New Tree Consultant Andrea Starbird by Steve Wilcox, Development Services Director
- 4.3 Introduction of New Finance/HR Director Ryan Wagner by Stephen R. Burns, Interim City Manager
- 4.4 Reports and announcements from Park Board, Planning Commission, Emergency Preparedness, and City Council.

Time Estimate: 60 minutes

5. **CONSENT AGENDA**

Time Estimate: 5 minutes

Consent agenda items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a Councilmember or City staff requests the Council to remove an item from the consent agenda.

5.1 Approved February 15, 2022 Park Board Meeting Minutes

Recommendation: Receive and file.

Staff Contact: Dawn Nations, Deputy City Clerk

5.2 Approved February 22, 2022 Planning Commission Meeting Minutes

Recommendation: Receive and file.

Staff Contact: Rebecca Bennett, Development Services Coordinator

5.3 Draft City Council Meeting Minutes of:

- a) March 14, 2022; and
- b) March 28, 2022.

Recommendation: Adopt minutes.

Staff Contact: Aimee Kellerman, CMC, City Clerk

5.4 A Regional Coalition of Housing (ARCH) 2022 Budget, Work Plan and Trust Fund Recommendations and Interlocal Agreement

Recommendation: Approve.

Staff Contact: Stephen R. Burns, Interim City Manager

5.5 2022 Sexual Assault Awareness Month Proclamation

Recommendation: Adopt Proclamation.

Staff Contact: Stephen R. Burns, Interim City Manager

6. **LEGISLATIVE HEARING**

None.

7. **PUBLIC HEARING**

None.

8. **CITY BUSINESS**

[8.1](#) Permanent Supportive and Transitional Housing 1000 ft. Buffer Update

Recommendation: Update.

Staff Contact: Scott Missall, City Attorney

Time Estimate: 5 minutes

9. **INTERIM CITY MANAGER'S REPORT**

Time Estimate: 15 minutes

Police, Development Services, Finance, Central Services, Public Works, City Attorney

[9.1a](#) ICM Monthly Report

[9.1b](#) Police Monthly Report

[9.1c](#) DS Monthly Report

[9.1d](#) Finance Monthly Report

[9.1e](#) CS Monthly Report

[9.1f](#) PW Monthly Report

10. **REQUESTS FOR FUTURE AGENDA ITEMS AND COUNCIL ROUND TABLE**

[10.1](#) April 26, 2022 - City Council and Planning Commission Joint Meeting Discussion

Recommendation: Discussion item.

Staff Contact: Stephen R. Burns, Interim City Manager

11. **PUBLIC COMMENT**

Comment period is limited to 10 minutes. Speaker comments limited to one minute per person.

12. **EXECUTIVE SESSION**

RCW 42.30.110(1)(g)

To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW **42.30.140(4)**, discussion by a governing body of salaries, wages, and other conditions of employment to be

generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public.

13. **ADJOURNMENT**

Next regular City Council Meeting: April 25, 2022 at 4 PM.

ADDITIONAL INFORMATION

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 72 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Medina City Hall.

The agenda items are accessible on the City's website at www.medina-wa.gov on Thursdays or Fridays prior to the Regular City Council Meeting.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (425) 233-6410 at least 48 hours prior to the meeting.

UPCOMING MEETINGS

Monday, April 25, 2022 - City Council Meeting (4:00 PM)
Tuesday, April 26, 2022 - Joint City Council and Planning Commission Meeting (4:00 PM)
Monday, May 9, 2022 - City Council Meeting (4:00 PM)
Monday, May 23, 2022 - City Council Meeting (4:00 PM)
Monday, May 30, 2022 - Memorial Day - CITY HALL CLOSED
Monday, June 13, 2022 - City Council Meeting (4:00 PM)
Monday, June 27, 2022 - City Council Meeting (4:00 PM)
Monday, July 4, 2022 - Independence Day - City Hall Closed
Monday, July 11, 2022 - City Council Meeting (4:00 PM)
Monday, July 25, 2022 - City Council Meeting (4:00 PM)
Monday, August 8, 2022 - City Council Meeting - **Dark No Meeting**
Monday, August 22, 2022 - City Council Meeting - **Dark No Meeting**
Monday, September 5, 2022 - Labor Day - City Hall Closed
Monday, September 12, 2022 - City Council Meeting (4:00 PM)
Monday, September 26, 2022 - City Council Meeting (4:00 PM)
Monday, October 10, 2022 - City Council Meeting (4:00 PM)
Monday, October 24, 2022 - City Council Meeting (4:00 PM)
Monday, November 14, 2022 - City Council Meeting (4:00 PM)
Thursday, November 24, 2022 - Thanksgiving Holiday - City Hall Closed
Friday, November 25, 2022 - Day After Thanksgiving Holiday - City Hall Closed
Monday, November 28, 2022 - City Council Meeting (4:00 PM)
Monday, December 12, 2022 - City Council Meeting (4:00 PM)
Monday, December 26, 2022 - Day After Christmas Holiday - City Hall Closed
Tuesday, December 27, 2022 - City Council Meeting (4:00 PM)

CERTIFICATION OF POSTING AGENDA

The agenda for Monday, April 11, 2022 Regular Meeting of the Medina City Council was posted and available for review on Friday, April 8, 2022 at City Hall of the City of Medina, 501 Evergreen Point Road, Medina, WA 98039. The agenda is also available on the city website at www.medina-wa.gov.



MEDINA, WASHINGTON

PARKS AND RECREATION BOARD MEETING

Virtual/Online

Tuesday, February 15, 2022 – 5:00 PM

MINUTES

1. CALL TO ORDER / ROLL CALL

PRESENT

Chair Sarah Gray
Vice Chair Barbara Moe
Board Member Gretchen Stengel
Board Member Rebecca Johnston
Board Member Katie Surbeck
Youth Advisor Ben Johnston

ABSENT

Board Member Collette McMullen
Emeritus Member Penny Martin

STAFF PRESENT

Ryan Osada, Pat Crickmore, Steve Burns, Dawn Nations

2. ANNOUNCEMENTS

None.

3. APPROVAL OF PARK BOARD MINUTES

3.1 Park Board Meeting Minutes of January 18, 2022

Recommendation: Adopt Minutes.

Staff Contact: Dawn Nations, Deputy City Clerk

ACTION: Motion made by Board Member Stengel, Seconded by Board Member Johnston. Carried 5-0
Voting Yea: Chair Gray, Vice Chair Moe, Board Member Stengel, Board Member Johnston, Board Member Surbeck

4. PUBLIC COMMENT

None.

5. PARK BOARD BUSINESS

5.1 Medina Park Playground Project Update by Ryan Osada, Public Works Director

Ryan Osada gave a brief update regarding the timeline of events. The playground will close on April 25, 2022. The Public Works department will do the demo of old equipment and removal of wood chips. A contractor will install the new playground equipment and installation will begin on May 9, 2022. Notices will be posted at Medina Park.

5.2 Youth Advisory Position Outreach Update by Ben Johnston, Youth Advisor

No update given at this meeting. Agenda item moved to the March 21, 2022 meeting.

5.3 Fairweather Park Improvement Ideas

Sarah Gray gave a brief overview of ideas for improvements to the park. The board discussed ideas on adding additional plants and benches with a concrete pad for the benches. It was discussed to have the board members meet at the park to look at the area in person. No date was chosen.

6. OTHER BUSINESS

6.1 Upcoming Park Board Event Dates

- 1) March 24, 2022 at 10am Easter Egg Stuffing at City Hall
- 2) April 2, 2022 Easter Egg Hunt at Medina Park - Time TBD
- 3) April 29, 2022 Arbor Day - Location/Time TBD

1) The board members discussed the March 24th egg stuffing event. Reminder wrapped bite size candy needed.

2) The Easter Egg Hunt on April 2nd start time of 10am was chosen. Board members meet at 8:30am to put the eggs out. Signage was discussed.

3) The Arbor day event was discussed. Public works will purchase the tree and pick location; update the board at the March 21st meeting. Ryan Osada will order seedling trees to hand out to the Medina Elementary 1st graders. Rebecca Johnston reported the 1st graders are very excited to attend.

7. PARK REPORTS

Fairweather & Lid - Stengel reported looks good.

Indian Trail - Stengel reported looks fine.

Lake Lane - Gray reported looks great.

Medina Beach Park - Gray and Moe reported looks good.

Medina Park - Moe asked about the muddy spots along the pathway. Public Works department reported adding sand can lead to dogs digging. PW reported there is an ongoing Beaver problem and are looking into a solution. Johnston reported dogs off leash in on leash area incident. Steve Burns reported that the PD is aware of the incident. The Police department will increase park patrols.

Viewpoint Park - Moe reported looks good.

8. ADJOURNMENT

Meeting adjourned at 5:34 PM.

Meeting Minutes taken by:



Dawn Nations



MEDINA, WASHINGTON

PLANNING COMMISSION MEETING

Virtual/Online

Tuesday, February 22, 2022 – 4:00 PM

MINUTES

COMMISSION CHAIR | Laurel Preston

COMMISSION VICE-CHAIR | Shawn Schubring

COMMISSIONERS | Laura Bustamante, David Langworthy, Mark Nelson, Mike Raskin

PLANNING MANAGER | Stephanie Keyser

1. CALL TO ORDER / ROLL CALL

Chair Preston called the meeting to order at 4:01pm

PRESENT

Chair Laurel Preston

Commissioner Laura Bustamante

Commissioner Mark Nelson

Commissioner Mike Raskin

ABSENT

Vice Chair Shawn Schubring

Commissioner David Langworthy

STAFF

Bennett, Burns, Kellerman, Keyser, Miner, Wilcox

2. APPROVAL OF MEETING AGENDA

By consensus, Planning Commission approved the meeting agenda as presented.

3. APPROVAL OF MINUTES

3.1 Planning Commission Minutes of January 25, 2022

Recommendation: Approve Minutes

Staff Contact: Rebecca Bennett, Development Services Coordinator

Action: Motion to approve minutes. (Approved 4-0)

Motion made by Commissioner Nelson, Seconded by Commissioner Raskin.

Voting Yea: Chair Preston, Commissioner Bustamante, Commissioner Nelson, Commissioner Raskin

4. ANNOUNCEMENTS

4.1 Staff/Commissioners

Commissioner Bustamante inquired about the open position for Planning Commission. Keyser stated that there are three interviews that are being held next week for the role.

5. AUDIENCE PARTICIPATION

None.

6. DISCUSSION

6.1 Added Agenda Item – Supportive and Transitional Housing Update

Recommendation: Discussion

Staff Contact(s): Stephanie Keyser, Planning Manager

Time Estimate: 10 minutes

Commissioners discussed and asked questions

Staff responded.

6.2 Alternatives to Original Grade

Recommendation: Discussion

Staff Contact(s): Stephanie Keyser, Planning Manager

Time Estimate: 60 minutes

Keyser explained Original Grade and alternative options.

Commissioners discussed and asked questions.

Staff responded.

7. ADJOURNMENT

Motion made by Commissioner Nelson, Seconded by Commissioner Bustamante. By consensus meeting adjourned at 5:08pm.

Meeting Minutes taken by:



Rebecca Bennett



MEDINA, WASHINGTON

MEDINA CITY COUNCIL CITY COUNCIL MEETING

Virtual/Online

Monday, March 14, 2022 – 4:00 PM

MINUTES

1. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Mayor Rossman called the regular meeting to order via Zoom at 4:00 p.m.

PRESENT

Mayor Jessica Rossman
Deputy Mayor Randy Reeves
Councilmember Cynthia Adkins
Councilmember Jennifer Garone
Councilmember Harini Gokul
Councilmember Mac Johnston (online at 4:05 p.m.)
Councilmember Bob Zook

ABSENT

None.

STAFF PRESENT

Steve Burns, Scott Missall, Ryan Osada, Steve Wilcox, Jeff Sass, Stephanie Keyser, Dawn Nations, Aimee Kellerman

2. APPROVAL OF MEETING AGENDA

By consensus, Council approved the meeting agenda as presented.

3. PUBLIC COMMENT PERIOD

Mayor Rossman opened the public comment period. There were no speakers. Subsequently, public comment was closed.

4. **PRESENTATIONS**

- 4.1 Reports and announcements from Park Board, Planning Commission, Emergency Preparedness, and City Council.

Planning Commission Chair Laurel Preston commented that the Planning Commission leadership in support with the Council Personnel Committee was unanimous in supporting the appointment of Li-Tan Hsu to the Planning Commission vacancy. She also reported on the Planning Commission Work Plan.

Director of Public Works Ryan Osada reported that the Park Board is working on the Easter Egg Hunt event that is scheduled for Saturday, April 2nd at 10:00 am at Medina Park.

Interim Police Chief Jeff Sass reported that the next Emergency Preparedness meeting is scheduled for Wednesday, April 13, 2022 at 4:00 pm.

5. **CONSENT AGENDA**

ACTION: Motion Johnston second Reeves and carried by a 7:0 vote; Council approved the Consent Agenda as presented.

- 5.1 February 2022 , Check Register
Recommendation: Approve.
Staff Contact: Anna Zhu, Acting Finance Director
- 5.2 Approved January 18, 2022 Park Board Meeting Minutes
Recommendation: Receive and file.
Staff Contact: Dawn Nations, Deputy City Clerk
- 5.3 Approved January 25, 2022 Planning Commission Meeting Minutes
Recommendation: Receive and file.
Staff Contact: Stephanie Keyser, AICP, Planning Manager
- 5.4 Draft February 28, 2022 City Council Meeting Minutes
Recommendation: Adopt Minutes.
Staff Contact: Aimee Kellerman, CMC, City Clerk
- 5.5 Interlocal Agreement with City of Bellevue for Community Advocates for Resource and Education Services (CARES)
Recommendation: Approve.
Staff Contact: Acting Police Chief Jeffrey R. Sass
- 5.6 Confirmation of Appointment to the Medina Planning Commission
Recommendation: Confirm appointment.
Staff Contact: Jessica Rossman, Mayor

6. **LEGISLATIVE HEARING**

None.

7. **PUBLIC HEARING**

7.1 Permanent Supportive and Transitional Housing

Recommendation: Adopt Ordinance No. 1008.

Staff Contact: Stephanie Keyser, AICP, Planning Manager

Planning Manager Stephanie Keyser gave a brief presentation on permanent supportive housing and transitional housing code amendments. Last year the Governor signed E2SHB 1220 (Engrossed Second Substitute House Bill), which relates to emergency shelter and housing. These changes eliminated zoning barriers related to certain types of affordable, transitional, supportive and emergency housing in various zoning classifications and requires cities to plan for affordable housing in the next Comprehensive Plan update.

Council asked questions and staff responded.

Mayor Rossman opened the public hearing period. The following individuals address the Council:

- David Yee commented on the proposed changes and asked Council to consider buffers around schools.
- Laurel Preston commented on the proposed changes and supported Council to consider buffers around schools.

Mayor Rossman closed the public hearing period.

Council moved into Executive Session for up to 30 minutes pursuant to:

RCW 42.30.110(1)(i)

To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

Council extended Executive Session up to an additional 20 minutes.

Council adjourned the Executive Session back into the regular meeting at 5:58 p.m.

ACTION: Motion Johnston to approve Ordinance No. 1008 as presented and in parallel instruct staff to do further research on the 1,000 foot buffer zone. This was seconded by Gokul.

Council continued discussions and either spoke in favor of or in opposition of the the proposed motion.

ACTION: Motion Johnston to approve Ordinance No. 1008 as presented and in parallel instruct staff to do further research on the 1,000 foot buffer zone. This was seconded by Gokul and carried by a 4:3 (Garone, Zook, and Reeves dissented) roll call vote; Council adopted Ordinance No. 1008.

8. CITY BUSINESS

None.

9. INTERIM CITY MANAGER'S REPORT

Police, Development Services, Finance, Central Services, Public Works, City Attorney

Interim Police Chief Sass gave a summary of the Police report and activities in the police department.

Director of Public Works Ryan Osada gave an update on Public Works projects.

Director of Development Services Steve Wilcox gave a brief update in permit activities in Development Services.

Interim City Manager Steve Burns gave a brief report on city management transition and invited either the personnel committee or finance committee to participate in an interview.

By consensus, Council appointed Councilmembers Zook, Garone, and Adkins and Planning Commissioner Bustamante to participate in the interviews when the time comes.

10. REQUESTS FOR FUTURE AGENDA ITEMS AND COUNCIL ROUND TABLE

Council requested a debrief and next steps from the March 10, 2022 City Council retreat.

Councilmember Zook requested a 15 to 20 summary of the Comprehensive Plan at a future meeting.

11. PUBLIC COMMENT

Mayor Rossman opened the public comment period. There were no speakers. Subsequently, public comment was closed.

At this point, Council took a brief 5 minute break. The full Council reconvened the meeting at 7:29 p.m.

12. EXECUTIVE SESSION

Council moved into Executive Session for up to 10 minutes pursuant to:

RCW 42.30.140(4)(a)

Collective bargaining sessions with employee organizations, including contract negotiations, grievance meetings, and discussions relating to the interpretation or application of a labor agreement; or (b) that portion of a meeting during which the governing body is planning or adopting the strategy or position to be taken by the governing body during the course of any collective bargaining, professional negotiations, or grievance or mediation proceedings, or reviewing the proposals made in the negotiations or proceedings while in progress.

The City Council reconvened into the regular meeting at 7:38 p.m.

ACTION: Motion Adkins to approve both Office-Clerical and Public Works Teamsters Collective Bargaining agreements as presented. This was seconded by Johnston and carried by a 7:0 vote.

The City Council moved back into Executive Session for up to 30 minutes pursuant to:

RCW 42.30.110(1)(g)

To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW **42.30.140(4)**, discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public.

Council extended the Executive Session for an additional up to 30 minutes.

ACTION: By consensus, Council adopted the personnel committee recommendation for the 2022 City Manager hiring process as presented. The personnel committee was directed to work with staff on an E-Lert and postcard to provide notice of a community forum; and the personnel committee is further directed to return to Council with additional details surrounding what the community forum looks like and how the interview framework will work.

ACTION: By consensus, Council set the community forum for Tuesday, April 19 from 5:30 p.m. to 7:00 p.m.

13. **ADJOURNMENT**

By consensus, Council adjourned the regular meeting at 8:30 p.m.



MEDINA, WASHINGTON
MEDINA CITY COUNCIL
CITY COUNCIL REGULAR MEETING

Virtual/Online
 Monday, March 28, 2022 – 4:00 PM

MINUTES

1. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Mayor Rossman called the regular meeting to order via Zoom at 4:00 p.m.

PRESENT

Mayor Jessica Rossman
 Deputy Mayor Randy Reeves
 Councilmember Cynthia Adkins
 Councilmember Jennifer Garone (offline at 5:00 p.m.)
 Councilmember Harini Gokul
 Councilmember Mac Johnston (offline at 5:00 p.m.)
 Councilmember Bob Zook

ABSENT

None.

STAFF PRESENT

Steve Burns, Scott Missall, Ryan Osada, Craig Fischer, Aimee Kellerman

2. APPROVAL OF MEETING AGENDA

Without any objections, the meeting agenda was approved as presented.

3. PUBLIC COMMENT PERIOD

Mayor Rossman opened the public comment period. There were no speakers. Subsequently, public comment was closed.

4. PRESENTATIONS

None.

5. CONSENT AGENDA

ACTION: Motion Zook second Johnston and carried by a 7:0 vote; Council approved the Consent Agenda.

- 5.1 Confirmation of Appointment to the Medina Parks and Recreation Board

Recommendation: Confirm appointment.

Staff Contact: Jessica Rossman, Mayor

6. **LEGISLATIVE HEARING**

None.

7. **PUBLIC HEARING**

None.

8. **CITY BUSINESS**

- 8.1 Stormwater Infrastructure Update

Recommendation: Discussion item only; no action needed.

Staff Contact: Ryan Osada, Public Works Director

Director of Public Works, Ryan Osada gave an update on the city's stormwater infrastructure. The purpose of stormwater management is for water quality, salmon recovery, and flood control. Issues the city is facing with the current infrastructure includes downstream flooding, erosion, pollution of drinking water supplies, habitat damage, loss of recreation, and oils and grease.

Council discussed and asked questions. Staff responded. Staff will also be working on and creating a roadmap for the city with a proposed enhanced maintenance program, capital improvement program and proposed funding options.

ACTION: Council directed staff to create a roadmap with priorities tentatively by the end of the year that will include maintenance as well as Capital projects. Public Works will work in tandem with Development Services on major construction projects to determine any impact fees or any upfront requirements for approvals.

9. **INTERIM CITY MANAGER'S REPORT**

None.

10. **REQUESTS FOR FUTURE AGENDA ITEMS AND COUNCIL ROUND TABLE**

None.

11. **PUBLIC COMMENT**

Mayor Rossman opened the public comment period. There were no speakers. Subsequently, public comment was closed.

12. **EXECUTIVE SESSION**

Council moved into Executive Session for an estimated time of one-hour.

RCW 42.30.11.(1)(i)

To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

RCW 42.30.110(1)(g)

To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW **42.30.140(4)**, discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public.

Council extended Executive Session for an additional up to one-hour at 6:20 p.m.

Council convened back into the regular meeting at 7:09 p.m.

ACTION: No action was taken following the executive session.

13. ADJOURNMENT

By consensus, Council adjourned the regular meeting at 7:10 p.m.



MEDINA, WASHINGTON

AGENDA BILL

Monday, April 11, 2022

Subject: A Regional Coalition of Housing (ARCH) 2022 Budget, Work Plan and Trust Fund Recommendations and Interlocal Agreement

Category: Consent/Resolution

Staff Contact: Stephen R. Burns, Interim City Manager

Summary

Council is requested to act on three items relating to ARCH – A Regional Coalition for Housing.

1. ARCH Work Program and Budget: The City of Medina became a member of A Regional Coalition for Housing (ARCH) in 1999. The City Council is required by the ARCH Interlocal Agreement to review and approve the Annual Administrative Budget and Work Plan.

Each year, the City of Medina allocates funds in the General Fund for Affordable Housing. These funds are used to cover Medina's portion of ARCH's administrative budget, and to award funds to individual affordable housing projects through ARCH. For 2022, the City budgeted \$32,109 for dues and projects.

2. Projects funded through ARCH Trust Fund: The ARCH Executive Board has recommended funding five projects with contributions from Medina as follows:
 - LifeWire – Hope Starts Here: \$700.00
 - Life Enrichment Options – LEO at Trailhead: \$1,300.00
 - Inland Group/Horizon Housing Alliance – Horizon at Totem Lake: \$7,800.00
 - Friends of Youth New Ground Kirkland Redevelopment: \$3,500.00
 - Attain Housing – Totem Six Plex - \$0.00 (Grant Secured)
3. Sign an Amended and Restated Interlocal Agreement for ARCH to adopt more contemporary and inclusive language related to the name and makeup of the advisory board providing advice and recommendations to the ARCH Executive Board.

Attachments:

1. Resolution No. 425 including Exhibit A – Amendment 1 to Interlocal Agreement
2. Resolution No. 426 including **Exhibit A** – Executive Board Memo, dated December 9, 2021
3. ARCH 2022 Budget and Work Program, and Trust Parity Goals

Budget/Fiscal Impact: \$32,109 (budgeted)

Recommendation: Approve.

City Manager Approval:

A handwritten signature in black ink, appearing to be 'JRB', written in a cursive style.

Proposed Council Motion: “I move to approve the 2022 ARCH Budget, Annual Work Plan, and authorize the Interim City Manager to sign amendment 1 to the amended and restated Interlocal agreement.”

ATTACHMENT 1

CITY OF MEDINA, WASHINGTON

RESOLUTION NO. 425

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MEDINA, WASHINGTON, AUTHORIZING AMENDMENT NO. 1 TO THE AMENDED AND RESTATED INTERLOCAL AGREEMENT FOR ARCH – A REGIONAL COALITION FOR HOUSING (DATED JULY 1, 2010)

WHEREAS, ARCH wishes to change the name of the citizen advisory board; and

WHEREAS, in addition to the name change, ARCH is seeking to temporarily allow up to four additional members to serve on the advisory board in order to enhance the diversity of and the breadth of skills and experience on said board; and

WHEREAS, ARCH is seeking to revise language throughout the agreement consistent with these changes.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MEDINA, WASHINGTON, RESOLVES AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute Amendment No. 1 to the Amended and Restated Interlocal Agreement for ARCH – A Regional Coalition for Housing (dated July 1, 2010) (**Exhibit A**) to (1) change the name of the Citizen Advisory Board to the Community Advisory Board, (2) to temporarily allow up to four additional members to serve on the advisory board in order to enhance the diversity of and the breadth of skills and experience on said board, and (3) to revise language throughout the agreement consistent with these changes.

Section 2. Effective Date. This Resolution shall be effective upon its adoption by the City Council.

PASSED BY THE CITY COUNCIL OF THE CITY OF MEDINA ON APRIL 11, 2022, AND SIGNED IN AUTHENTICATION OF ITS PASSAGE ON APRIL 11, 2022.

Jessica Rossman, Mayor

Approved as to form:
Ogden Murphy Wallace, PLLC

Attest:

Scott M. Missall, City Attorney

Aimee Kellerman, City Clerk

FILED WITH THE CITY CLERK: XX
PASSED BY THE CITY COUNCIL: XX
RESOLUTION NO. 425

Amendment No. 1

To

Amended and Restated Interlocal Agreement for ARCH

A Regional Coalition for Housing

WHEREAS, the Cities of Bellevue, Kirkland, Redmond, Bothell, Woodinville, Issaquah, Mercer Island, Newcastle, Beaux Arts, Clyde Hill, Hunts Point, Medina, Yarrow Point, Kenmore and Sammamish, municipal corporations organized under the laws of the State of Washington, and King County, a subdivision of state government (the “Parties”), entered into an Amended and Restated Interlocal Agreement for ARCH, a Regional Coalition for Housing, pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW, and effective as of July 1, 2010 (“Amended and Restated Agreement”); and

WHEREAS, the Parties wish to amend the Amended and Restated Agreement to adopt more contemporary and inclusive language related to the name and makeup of the advisory board providing advice and recommendations to the ARCH Executive Board while also helping increase the diversity and breadth of skills and experience serving on such advisory board over time.

NOW, THEREFORE, the Parties to the Amended and Restated Agreement do hereby agree to this Amendment No. 1 as follows:

Section 1 is amended to read as follows:

1. PURPOSE. All Parties to this Agreement have responsibility for local and regional planning for the provision of housing affordable to people that work and/or live in East King County. The Parties desire to act cooperatively to formulate affordable housing goals and policies and to foster efforts to provide affordable housing by combining public funding with private-sector resources. The Parties further intend that this interlocal agreement serve as a legal framework for all communities within the ARCH sphere of influence (See Exhibit A) to cooperate in planning for and providing affordable housing; the Parties therefore encourage other cities in East King County to join the Parties in this endeavor.

Section 2 is amended to read as follows:

2. STRUCTURE. To accomplish the purposes of this Agreement, the Parties hereby create a joint and cooperative undertaking responsible for administering the activities described herein, to be called A Regional Coalition for Housing (“ARCH”). ARCH shall be governed by an Executive Board composed of members as provided for in section 4.a of this Agreement. The Executive Board shall constitute a “joint board” as that term is used in RCW 39.34.030(4). The Executive Board shall be assisted by an administrative staff and by a Community Advisory Board.

Section 4.d(10) is amended to read as follows:

- (10) appoint Community Advisory Board Members;

Section 7 is amended to read as follows:

7. COMMUNITY ADVISORY BOARD. A Community Advisory Board is hereby created to provide advice and recommendations to the Executive Board on land and/or money resource allocation for affordable housing projects and to provide public relations and educational outreach services. The Community Advisory Board shall consist of not more than fifteen (15) and not less than twelve (12) community members; provided, however that the size of such board may be temporarily increased by the Executive Board through the appointment of up to an additional four (4) members in order to enhance such board diversity and breadth of skills and experience; provided further, that such additional temporary appointments may continue to serve on such board as standing members over time through attrition, thereby eventually reducing the size of the board back to not more than fifteen (15) and not less than twelve (12) members. The Executive Board shall appoint members to the Community Advisory Board. Community members appointed to the Community Advisory Board must have a knowledge and understanding of affordable housing and be committed to the furtherance of affordable housing on the Eastside. Appointments shall be for a four-year term with service limited to a total of two consecutive terms. The Executive Board shall adopt procedures for the convening and administration of the Community Advisory Board. A community member may be removed from the Community Advisory Board by the Executive Board with or without cause upon a majority vote of membership of the Executive Board.

Section 8 is amended to read as follows:

8. MEETINGS OF THE COMMUNITY ADVISORY BOARD.
- a. Frequency. The Community Advisory Board shall meet as often as it deems necessary, but not less than quarterly.
 - b. Quorum. A quorum at any meeting of the Community Advisory Board shall consist of the Board members who represent a simple majority of the Board's membership, including any temporary appointments made pursuant to Section 7.
 - c. Action. No action may be taken except at a meeting where a quorum exists. Action by the Community Advisory Board requires an affirmative vote by a majority of those members attending a Board meeting where a quorum exists. No action shall be taken except at a meeting open to the public.

This Amendment No. 1 to the Amended and Restated Interlocal Agreement for ARCH shall be effective when approved in accordance with Section 16 of the Agreement and may be executed in counterparts in accordance with Section 28 of the Agreement.

[Signature Pages Follow]

Approved and executed this ___ day of _____, 202_.

Name of Party: _____

Approved as to form

By: _____
Its: _____

City Attorney

ATTACHMENT 2

CITY OF MEDINA, WASHINGTON

RESOLUTION NO. 426

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MEDINA, WASHINGTON, AUTHORIZING THE DULY
APPOINTED ADMINISTERING AGENCY FOR 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**

WHEREAS, A Regional Coalition for Housing (ARCH) was created by interlocal agreement to help coordinate the efforts of Eastside cities to provide affordable housing; and

WHEREAS, the ARCH Executive Board has recommended that the City of Medina participate in the funding of certain affordable housing projects and programs hereinafter described; and

WHEREAS, the ARCH Executive Board has developed a number of recommended conditions to ensure that the City's affordable housing funds are used for their intended purpose and that projects maintain their affordability over time; and

WHEREAS, the City Council has approved Resolution No. 425 approving the Amended and Restated Interlocal Agreement for ARCH; and

WHEREAS, the City Council desires to use \$13,300 from City funds as designated below to finance the projects recommended by the ARCH Executive Board.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MEDINA, WASHINGTON, RESOLVES AS FOLLOWS:

Section 1. The City Council authorizes the duly-appointed administering agency of ARCH pursuant to the Amended and Restated Interlocal Agreement for ARCH to execute all documents and take all necessary actions to enter into Agreements on behalf of the City to fund Lifewire Hope Starts Here Project, Life Enrichment Options LEO at Trailhead, Friends of Youth New Ground Kirkland, as well as to increase funding to Inland Housing Group/Horizon Housing Totem Lake Project, in a combined total amount not to exceed \$13,300.

Section2. The Agreements entered into pursuant to Section 1 of this resolution shall include terms and conditions to ensure that the City's funds are used for their intended purpose and that the projects maintain affordability over time. In determining what conditions should be included in the Agreements, the duly-appointed administering agency of ARCH shall be guided by the recommendations set forth in the ARCH Executive Board's memorandum of December 9, 2021, a copy of which is attached hereto as **Exhibit A**.

ATTACHMENT 2

Section 3. Effective Date. This Resolution shall be effective upon its adoption by the City Council.

**PASSED BY THE CITY COUNCIL OF THE CITY OF MEDINA ON APRIL 11, 2022
AND SIGNED IN AUTHENTICATION OF ITS PASSAGE ON APRIL 11, 2022.**

Jessica Rossman, Mayor

Approved as to form:
Ogden Murphy Wallace, PLLC

Attest:

Scott M. Missall, City Attorney

Aimee Kellerman, City Clerk

FILED WITH THE CITY CLERK: XX
PASSED BY THE CITY COUNCIL: XX
RESOLUTION NO. 426



TOGETHER CENTER CAMPUS
16307 NE 83RD ST, SUITE 201
REDMOND, WA 98052
425-861-3677

MEMORANDUM

<p>TO: City of Bellevue Council Members City of Clyde Hill Council Members City of Issaquah Council Members City of Kirkland Council Members City of Mercer Island Council Members City of Redmond Council Members City of Woodinville Council Members</p>	<p>City of Bothell Council Members Town of Hunts Point Council Members City of Kenmore Council Members City of Medina Council Members City of Newcastle Council Members City of Sammamish Council Members Town of Yarrow Point Council Members</p>
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FROM: Kurt Triplett, Chair, ARCH Executive Board

DATE: December 9, 2021

RE: Fall 2021 Housing Trust Fund (HTF) Recommendation

The 2021 ARCH Housing Trust Fund round confirmed the increasing demand for funding to support affordable housing development in East King County. ARCH received five applications representing requests for just over \$3.8 million dollars in local funds to develop 344 units of affordable housing. After careful deliberation, the ARCH Executive Board concurred with the recommendations of the ARCH Citizen Advisory Board (CAB), and is recommending funding of \$3,175,000 for four projects, including supplemental funding of \$1.5 million to cover cost increases to a project that received an award in 2020.

These recommendations advance projects that meet urgent local priorities, including mixed income workforce housing, transitional and emergency housing for victims of domestic violence, affordable housing for youth seeking to further their career and education, and much needed affordable housing for individuals with developmental disabilities to be integrated into a transit-oriented development.

In the last three decades, the ARCH Trust Fund has supported nearly 4,500 units of affordable housing and shelter beds, more than any other program in East King County, notably creating housing for those with the greatest needs and the fewest opportunities to live in our community. As rents continue to rise in our region, so does the need for affordable housing. Your investment in the ARCH Housing Trust Fund, leveraged with millions of dollars from other sources, will provide this much needed housing to hundreds of underserved members of our community.

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**

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Below is a description of the applications received, the Executive Board recommendation and rationale, and proposed contract conditions for the proposals recommended for funding at this time. Also enclosed is the proposed funding sources and an economic summary of the projects recommended for funding.

Attachments:

1. Proposed Funding Sources
2. Project Economic Summaries

Note that bolded text in proposed conditions shows unique conditions in otherwise standard text.

1. LifeWire – Hope Starts Here

Funding Request: \$750,000 (Secured Grant)
25 Affordable Units

Executive Board Recommendation: \$750,000 (Secured Grant)
See attached Proposed Funding Sources for distribution of City Funds

Project Summary:

The proposed project is the rehabilitation of an existing three building site in Bellevue currently owned by LifeWire into 25 one and two-bedrooms units of affordable housing plus the new construction of a building for providing services to domestic violence (DV) survivors. The project is the culmination of several years of planning by LifeWire to consolidate two existing programs located in less-than-ideal facilities, plus add capacity with five additional units to serve the overwhelming need among DV survivors.

The project will serve single women and women with children impacted by domestic violence who do not have other options for housing. The project will contain 15 emergency housing units and 10 transitional housing units. The ten transitional units will serve survivors who are also recovering from substance abuse and are parenting. Nine apartments will be renovated to accommodate survivors with mobility issues. The project will serve residents earning 0-50% AMI.

The scope of the rehabilitation includes system and finish upgrades, new roofs, new secure entry door systems, sewer lines, flooring, and where needed, new cabinets, countertops, appliances, and fixtures. Due to the nature of the population the exact location of the project must be kept confidential.

Funding Rationale:

The Executive Board supports the intent of this application for the following reasons:

- The project aligns with the local Affordable Housing Strategy and would further the City of Bellevue’s goals to achieve 2,500 affordable units over 10 years.
- The project serves a special needs population (domestic violence survivors).

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- The project will prioritize survivors with the greatest safety risks and highest barriers to housing and services.
- The project will allow a dependable, long standing non-profit service provider the ability to consolidate its resources and provide more efficient services to residents.
- The project provides significant financial leverage of other resources.
- Site has convenient access to transit, shopping, and services.

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo.

Special Conditions:

1. The funding commitment continue for **twelve (12) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the Agency will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider a twelve-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the Agency will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.
2. Funds shall be used by Agency toward **soft costs, design, permits and construction**. Funds may not be used for any other purpose unless ARCH staff has given written authorization for the alternate use. If after the completion of the project there are budget line items with unexpended balances, ARCH and other public funders shall approve adjustments to the project capital sources, including potentially reductions in public fund loan balances.
3. Funds will be in the form of a **secured grant with no repayment**, so long as affordability and target population is maintained, and the service funds necessary to provide services to this population are available.
4. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow ARCH Net Developer Fee Schedule. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.
5. A covenant is recorded ensuring affordability for at least 50 years, with size and affordability distribution per the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by ARCH staff.

Affordability	1-bedroom	2-bedroom	Total
30%	14	6	20
50%	3	2	5
Total	17	8	25

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6. Based on the availability of adequate support services, the project will contain 15 emergency housing units and 10 transitional housing units, unless otherwise approved by ARCH. LifeWire will work with the DV Coordinated Entry system, known as the Domestic Violence Coordinated Housing Access Point (DVCHAP) for referrals, or other referral system as approved by ARCH.
7. ARCH shall review and approve the services budget and services plan for consistency with application.

2. Life Enrichment Options – LEO at Trailhead

Funding Request: \$250,000 (Secured Grant)
5 affordable rental units; 1 manager unit

Executive Board Recommendation: \$250,000 (Secured Grant)
See attached Proposed Funding Sources for distribution of City Funds

Project Summary:

The LEO at Trailhead project will provide 5 units of affordable housing for individuals with developmental disabilities (DD units) with an additional studio unit for a 24/7 live-in care provider, fully integrated into a mixed-income, mixed-use Transit Oriented Development (TOD) in Central Issaquah. All of the DD units are single room occupancy (SRO), and all will serve residents at or below 30% of area median income (AMI). LEO is partnering with King County Housing Authority (KCHA), Spectrum Development Solutions and the City of Issaquah to accomplish this project.

LEO will be situated on the first residential floor within the Trailhead building, above two levels of commercial and parking, and will be integrated into the rest of the affordable housing units operated by KCHA. KCHA is serving as LEO’s development consultant and will sell the completed units to LEO upon completion. In addition, the Central Issaquah TOD Project will have spaces for other supportive services like a health center (Health Point), a behavioral health clinic (Valley City), and an Opportunity Center, which will be owned and operated by the city.

The project will include shared amenities dedicated to LEO including a living room, laundry, lounge / entertainment space, and kitchen. LEO tenants will have access to rest of the amenity spaces offered in the Trailhead building.

LEO’s model is based on contracting with licensed long-term care professionals who live on-site in homes owned and managed by LEO. Care providers must adhere to minimum standards of care and provide 24- hour care to our residents, under the supervision of Department of Social and Health Services (DSHS) and the Developmental Disabilities Administration (DDA). LEO will serve as the landlord for the project and will enter into an agreement signed by a care provider chosen by LEO.

Funding Rationale:

The Executive Board recommends funding with conditions listed below for the following reasons:

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- The project aligns with the City of Issaquah Housing Strategy and fulfills a key component of a larger project that has been a longstanding City priority.
- The project is part of a larger partnership with King County Housing Authority, Spectrum Development Solutions and the City of Issaquah which will create significant affordable housing.
- The TOD project is expected to act as a catalyst for the whole neighborhood economic development in an area within the City’s Regional Growth Center.
- The project is sited at an excellent location, across the street to Tibbetts Valley Park, a thirty-acre active recreational community park, directly next to a light rail site is planned to open in 2041, and next to the Issaquah Transit Center which offers frequent, all-day transit service.
- The project serves a special needs population (developmentally disabled individuals).

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo.

Special Conditions:

1. **Funds shall be used by the Agency for the acquisition of the completed units.**
2. ARCH’s funding commitment shall continue for **thirty-six (36) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the Agency will provide a status report on progress to date. ARCH staff will consider up to a 12-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the Agency will demonstrate all capital funding is likely to be secured within a reasonable period of time.
3. Funds will be in the form of a **secured grant with no repayment**, so long as affordability and target population is maintained, and the service funds necessary to provide services to this population are available.
4. A covenant is recorded ensuring affordability for at least 50 years, with affordability generally as shown in the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by ARCH staff.

Affordability	Beds	Total
30% AMI	5	5
manager unit	1	1
TOTAL	6	6

5. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow the schedule established by ARCH. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.

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6. Based on the availability of adequate support services, the project will contain 5 units or beds for residents with Developmental Disabilities, unless otherwise approved by ARCH. LEO will work with Medicaid for referrals, or other referral method as approved by ARCH.

3. Inland Group/Horizon Housing Alliance – Horizon at Totem Lake

Initial Funding Request: \$1,500,000 (Deferred, Contingent Loan) in addition to \$4,000,000 awarded from the 2020 funding round.

Executive Board Recommendation: \$1,500,000 (Deferred, Contingent Loan) See attached Proposed Funding Sources for distribution of City Funds

Project Summary:

Based on their successful proposal for the Together Center redevelopment, Inland/Horizon seek to create a similarly configured affordable development comprising 300 income-restricted units supplemented by an additional 168 workforce rental units in the redeveloping Totem Lake neighborhood of Kirkland.

The proposed project is located at the site of a former new car dealership will consist of three residential towers with level 1 of sub-grade parking and 2 levels of above grade parking. The first floor will consist of common areas/commercial space and the majority of the residential units will be on the third floor and above. The project proposes to utilize 9% tax credits in 40 units affordable at 30% and 50% AMI, of which 30 would be set aside for those exiting homelessness. Another 260 units is proposed at 50% and 60% AMI, which will be funded through 4% tax credits and tax-exempt bond financing. The project includes a partnership with Hopelink to provide services to the formerly homeless households.

In the most recent ARCH funding round, \$4 million was approved for the project, which applied for but was unsuccessful in its first effort to obtain Low Income Housing Tax Credits. To ensure the project is able to move forward and compete again for tax credits, additional funding is needed to meet cost increases that have occurred in the last year. Separately, the City of Kirkland has already provided an early commitment to release \$2.5 million for site acquisition, and Microsoft has provided \$18 million in initial funding through the ELAP program which is administered by the Washington State Finance Commission for the acquisition of the property. The property acquisition will be completed in December 2021.

Funding Rationale:

The Executive Board recommends funding with conditions listed below for the following reasons:

- The project has the opportunity to deliver mixed income housing on a significant scale in a location with access to transit and other amenities.
- The project leverages a significant amount of tax credit and other public and private financing.
- If successful in obtaining a 9% allocation, the project would provide housing for homeless families as well as other low-income families and individuals.
- If unsuccessful in obtaining a 9% allocation, the project would still deliver a significant amount of housing affordable to a range of incomes.
- The project will deliver a large amount of family-sized, 3-bedroom units.

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- The developer is vertically integrated and able to bring cost efficiencies to the development. The project will be co-located with workforce housing creating a project of around 470 units built simultaneously, bringing an economy of scale.
- The project would allow timely investment of in lieu fees collected from a downtown Kirkland development to invest in another redeveloping neighborhood.
- The project maximizes utilization of the site per zoning.

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo.

Special Conditions:

1. The funding commitment shall continue for **twelve (12) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. ARCH staff will grant up to a 12-month extension.
2. Funds shall be used by the Agency towards **acquisition, soft costs, and construction**. Funds may not be used for any other purpose unless ARCH staff has given written authorization for the alternate use.
3. Funds will be in the form of a **deferred, contingent loan**. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Final loan terms shall be determined prior to release of funds and must be approved by ARCH Staff. **It is anticipated that loan payments will be based on a set repayment schedule and begin after repayment of deferred developer fee** with 1% interest. The terms will also include a provision for the Agency to a defer payment if certain conditions are met (e.g. low cash flow due to unexpected costs). Any requested deferment of loan payment is subject to approval by ARCH Staff, and any deferred payment would be repaid from future cash flow or at the end of the amortization period.
5. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow the ARCH Net Developer Fee Schedule. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.
6. A covenant is recorded ensuring affordability for at least 50 years, with affordability generally as shown in the following table. **Limited changes to the unit mix may be considered based on reasonable justification as approved by ARCH staff. If the project is unsuccessful in securing 9% tax credits in the current round, the project may shift the allocation of units set aside at 30% AMI to either 50% or 60% AMI. The total number of units affordable up to 60% AMI may not be decreased by more than 10%. The total number of units affordable up to 50% AMI may also not be decreased by more than 10%.**

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Affordability	Studio	1 BR	2BR	3BR	Total
30%		8	8	4	20
50%	5	23	49	19	96
60%	12	38	97	47	184
Total	17	69	154	60	300

7. The combined final loan amount shall be up to \$5.5 million, subject to approval by ARCH staff based on a documented funding gap. ARCH reserves the right to reduce its total loan amount based on changes to the project sources and uses, and unit mix.
8. The Agency shall submit evidence of private funding commitments for all components of the project, including the workforce housing. In the event commitment of funds cannot be secured consistent with the timeframe identified in the application, the Agency shall immediately notify ARCH, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to ARCH review and approval.
9. Agency must submit for ARCH staff approval a management and services plan which includes coordination of services with outside providers and parking management.
10. Agency shall submit a marketing plan for approval by ARCH staff. The plan should include how the Agency will do local targeted marketing outreach to local, media business and community organizations.
11. The Agency shall work with the city to minimize required parking and to provide alternative transportation options for the residents that reduce reliance on private automobiles, such as provision of public transit passes, bike storage, car sharing programs and other incentives. The Agency may charge for parking, subject to approval by ARCH staff, provided that the Agency has minimized the overall cost burden on residents with the lowest incomes.
12. In the interest of discouraging segregation of residents by income within the project, the Agency shall look for ways to integrate the population across the project with shared amenities, unifying esthetics and other programmatic features to build community within the project.
13. The Agency will establish a services reserve account in the amount of no less than \$1.6M to be used for services expenses to fill gaps in operating income, unless other ongoing resources for supportive services is identified, as approved by ARCH. A services reserve budget must be approved by ARCH at the close of permanent finance and will be monitored on an annual basis for consistency with the services plan. Any deviation from the services budget must be pre-approved by ARCH.

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4. Friends of Youth New Ground Kirkland Redevelopment

Funding Request: \$675,000 additional to previously invested \$250,000 awarded in 2005 (Secured Grant)

14 total affordable bedrooms/suites replacing existing 8 units

Executive Board Recommendation: \$675,000 (Secured Grant)

Project Summary:

Friends of Youth (FOY) proposes to redevelop a site currently in their portfolio in the Houghton neighborhood of Kirkland into 14 bedrooms/suites of affordable housing at 30% AMI for youth between the ages of 18 to 24. The existing building would be extensively rehabbed including an alteration to accommodate four additional bedrooms. The target population would be clients who are ready for independent living, likely pursuing education or entry level employment, including young adults who are not current clients of the agency. The renovation supports FOY goals to diversify housing options across its portfolio and create projects that are economically sustainable and not dependent on annual fundraising.

Funding Rationale:

The Executive Board supports the intent of this application for the following reasons:

- This project represents an opportunity to rehab and extend the useful life of a vacant building within an agency current portfolio.
- The project would increase the number of young adults that it can serve at this property by adding two more bedrooms/suites.
- The project is well located in a neighborhood with transit, amenities and access to educational and job opportunities for young adults.
- The project leverages a significant amount of other public funding.
- The project helps to advance the City of Kirkland's recently adopted affordable housing targets, which aim to achieve over 12,000 affordable units by 2044.
- The project serves a special needs population (young adults).

Special Conditions:

1. The funding commitment continue for **twelve (12) months** from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the Agency will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider a twelve-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the Agency will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.
2. Funds shall be used by Agency toward **soft costs, design, permits and construction**. Funds may not be used for any other purpose unless ARCH staff has given written authorization for the alternate use. Spending of construction contingency must be approved in advance by ARCH. If after the

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completion of the project there are budget line items with unexpended balances, ARCH and other public funders shall approve adjustments to the project capital sources, including potentially reductions in public fund loan balances.

3. Funds will be in the form of a **secured grant with no repayment**, so long as affordability and target population is maintained, and the service funds necessary to provide services to this population are available.
4. The net developer fee shall be established at the time of finalizing the Contract Budget and will follow ARCH Net Developer Fee Schedule. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.
5. A covenant is recorded ensuring affordability for at least 50 years, with size and affordability distribution per the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by ARCH staff.

Affordability	1-bedroom/suite	Total
30%	14	14
Total	14	14

6. ARCH shall review and approve the services budget and services plan for consistency with application.
7. Agency must provide a parking plan which will encourage minimal parking and include within the project design bike facilities to inspire less vehicle use.
8. Agency must review the project design in an effort to maximize private space and security of private space and minimize common space. Design must propose security measures to encourage privacy such as locks in private areas.
9. If not included within the proposed design, Agency shall evaluate and consider permanent mini fridge/mini kitchen in each room to improve privacy and independence.
10. Agency shall evaluate and consider the maximization of sustainability features such as in efficient building envelope, heat pumps and propose a plan for the maximization of sustainability.
11. Agency shall present a plan to ARCH for managing the leasing and use of the common space that will explain how Agency will match residents, delineate the responsibilities for the lease/sub-lease, and handle management of each suite and common spaces.
12. Agency shall provide to ARCH for review a Capital Needs Assessment for all buildings in ARCH's portfolio.

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5. Attain Housing – Totem Six Plex

Funding Request: \$650,000 (Secured Grant)
6 new housing units

Executive Board Recommendation: \$0

Project Summary:

The proposed project is the new construction of a three-story structure with six two-bedroom units of transitional housing for homeless families earning up to 30% of area median income (AMI). The property currently contains of an existing four plex building owned and managed by Attain Housing. Attain also manages the four plex on the lot next to the proposed construction site. The proposed new building will sit in what is currently a lawn between the two four plex buildings. The project represents an expansion of existing programs operated by Attain, with overall capacity growing from 8 to 14 units across the three buildings.

Funding Rationale:

The Executive Board potentially supports the concept of the Attain Housing proposal but does not recommend funding at this time. The Executive Board would welcome an application in the next round. This would provide an opportunity for Attain Housing to address the issues identified below:

- Further development of building design, siting and parking and conformance with zoning requirements.
- Identification of other public funding sources included in the development budget.
- Identification of adequate project management capacity, including recommended engagement of a development consultant who will assist with the financing and project management of the project through construction completion.
- Definition of agency priorities including a rehab which the agency has indicated is its other top priority.
- Development of an updated development budget and operating budget which addresses in increases in construction costs based on and updated cost estimate and funding to address the additional cost increases.
- Development of a project schedule consistent with the proposed funding and local permitting requirements.
- Further discussion of long-term strategy for funding supportive services for transitional housing.

Standard Conditions (Apply to all projects):

1. The Agency shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by ARCH staff. If the Agency is unable to adhere to the budgets, ARCH must be immediately notified and (a) new budget(s) shall be submitted by the Agency for ARCH's approval. ARCH shall not unreasonably withhold its approval to (a) revised budget(s), so long as such new budget(s) does not materially adversely change the Project. This shall be a continuing obligation of the Agency. Failure to adhere to the budgets, either original or as amended may result in withdrawal of ARCH's commitment of funds.

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2. The Agency shall submit evidence of funding commitments from all proposed public sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Agency shall immediately notify ARCH, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to ARCH review and approval.
3. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to: contractor solicitation, bidding and selection; wage rates; and Endangered Species Act (ESA) requirements. CDBG funds may not be used to repay (bridge) acquisition finance costs.
4. The Agency shall maintain documentation of any necessary land use approvals and permits required by the city in which the project is located.
5. The Agency shall submit monitoring quarterly reports through completion of the project, and annually thereafter, and shall submit a final budget upon project completion. If applicable, Agency shall submit initial tenant information as required by ARCH.
6. Agency shall maintain the project in good and habitable condition for the duration of period of affordability.

Attachment 1: Proposed Funding Sources

Recommended Projects					Total 2021 Recommended Funding
	Horizon at Totem Lake	Hope Starts Here	LEO at Trailhead	New Ground Kirkland	
Total Recommended Award	\$1,500,000	\$750,000	\$250,000	\$675,000	\$3,175,000
Bellevue	\$192,900	\$16,100	\$32,200	\$86,800	\$328,000
Bothell	\$54,900	\$4,600	\$9,200	\$24,700	\$93,400
Clyde Hill	\$10,000	\$800	\$1,700	\$4,500	\$17,000
Hunts Point	\$1,000	\$100	\$200	\$400	\$1,700
Issaquah	\$66,200	\$5,500	\$11,000	\$29,800	\$112,500
Kenmore	\$36,200	\$3,000	\$6,000	\$16,300	\$61,500
Kirkland	\$635,200	\$53,000	\$105,900	\$285,900	\$1,080,000
Medina	\$7,800	\$700	\$1,300	\$3,500	\$13,300
Mercer Island	\$19,700	\$1,600	\$3,300	\$8,900	\$33,500
Newcastle	\$17,200	\$1,400	\$2,900	\$7,700	\$29,200
Redmond	\$337,000	\$28,100	\$56,000	\$151,600	\$572,700
Sammamish	\$71,200	\$5,900	\$11,900	\$32,000	\$121,000
Woodinville	\$47,000	\$3,900	\$7,800	\$21,200	\$79,900
Yarrow Point	\$3,700	\$300	\$600	\$1,700	\$6,300
Total Local Funds	\$1,500,000	\$125,000	\$250,000	\$675,000	\$2,550,000
CDBG Funds		\$627,869*			\$627,869
Prior Award	\$4,000,000				
Total Award	\$5,500,000				

*Final CDBG award to be finalized based on actual HUD grant numbers

Attachment 2: Project Economic Summaries

Applicant: LifeWire
Project Name: Hope Starts Here
Location: Bellevue (confidential)
Project Description: Acquisition rehab with 25 units for domestic violence survivors

Financing Sources:

Source Name	Proposed Amount	Status
ARCH	\$750,000	
KC Housing Finance Program	\$2,000,000	\$4,300,000 committed
WA State Commerce HTF	\$3,500,000	Estimated up to \$1,000,000 award
City of Bellevue	\$2,000,000	Up to \$3,200,000 recommended
Capital Campaign/LifeWire Equity	\$4,133,733	
Total Sources	\$12,383,733	
Bridge Financing:		
King County Bridge Loan	\$4,000,000	Committed
REDI Fund	\$5,000,000	Committed

Development Budget:

Proposed Use	Estimated Amount
Acquisition:	\$8,848,194
Construction:	\$2,293,396
Soft Costs:	\$445,869
Permanent Financing	\$135,048
Capitalized Reserves	\$260,525
Other Development Costs	\$400,701
Total Uses	\$12,383,733

Applicant: Life Enrichment Options (LEO)
Project Name: LEO at Trailhead
Location: 1515 NW Maple St, Issaquah WA
Project Description: Acquisition of 5 units/beds for persons with developmental disabilities plus 1 caregiver unit within the new construction Trailhead TOD development

Financing Sources

Source Name	Proposed Amount	Status
ARCH	\$250,000	
KC Housing Finance Program	\$250,000	Proposed – anticipate State funds may cover
WA State Commerce HTF	\$299,694	Application anticipated spring 2022
Total Sources	\$799,694	

Development Budget

Proposed Use	Estimated Amount
Acquisition:	\$799,694
Total Uses	\$799,694

Applicant: Inland Group/Horizon Housing Alliance
Project Name: Horizon at Totem Lake
Location: 12335 120th Ave NE, Kirkland, WA
Project Description: New construction of mixed use affordable and workforce housing project with 300 affordable units and 178 workforce units

Financing Sources

Source Name	Proposed Amount	Status
ARCH	\$5,500,000	\$4 million committed in 2020 funding round; \$2.5 million approved for December 2021 acquisition
KC Housing Finance Program	\$6,222,808	Committed
9% LIHTC Equity	\$9,992,576	Application submitted
4% LIHTC Equity	\$42,220,944	Application March 2022
Tax Exempt Bonds	\$49,220,000	Application March 2022
Deferred Developer Fee	\$10,476,847	Committed
Total Sources	\$123,633,175	

Development Budget

Proposed Use	Estimated Amount
Acquisition:	\$14,436,693
Construction:	\$75,915,129
Soft Costs:	\$16,014,352
Permanent Financing	\$8,237,423
Capitalized Reserves	\$2,982,281
Other Development Costs	\$6,047,297
Total Uses	\$123,633,175

Applicant: Friends of Youth
Project Name: New Ground Kirkland Redevelopment
Location: 11005 NE 68th Street, Kirkland WA
Project Description: Redevelopment of existing structure for 14 affordable beds for young adults

Financing Sources

Source Name	Proposed Amount	Status
ARCH	\$675,000	
KC Housing Finance Program	\$1,171,800	Recommended \$1,806,800
WA State Commerce HTF	\$635,000	Not anticipating any HTF award
2021 State Leg. Appropriation	\$258,000	Committed
Capital Campaign	\$27,500	
Friends of Youth	\$15,000	
Total Sources	\$2,782,300	

Development Budget

Proposed Use	Estimated Amount
Acquisition:	\$0
Construction:	\$1,939,813
Soft Costs:	\$632,500
Permanent Financing	\$36,236
Capitalized Reserves	\$42,000
Other Development Costs	\$131,751
Total Uses	\$2,782,300

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)

ATTACHMENT 3

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	

ATTACHMENT 3

	2021 Approved Budget	2022 Recommended Budget	% Change		
	City Per Capita \$1.98	City Per Capita \$2.04	Add'l \$0.32		
	KC Per Capita \$0.93	KC Per Capita \$1.70	Per Capita		
II. TOTAL INCOME	\$ 1,155,261	\$1,490,462	29%		
		TOTAL	BASE		
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					
<i>Note: This section expresses intended use of any excess revenues above levels needed to cover basic operating costs.</i>					
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.
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.

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 data and scoping for a housing needs analysis and review draft housing policies and goals for the City’s Comprehensive Plan update.

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.

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).

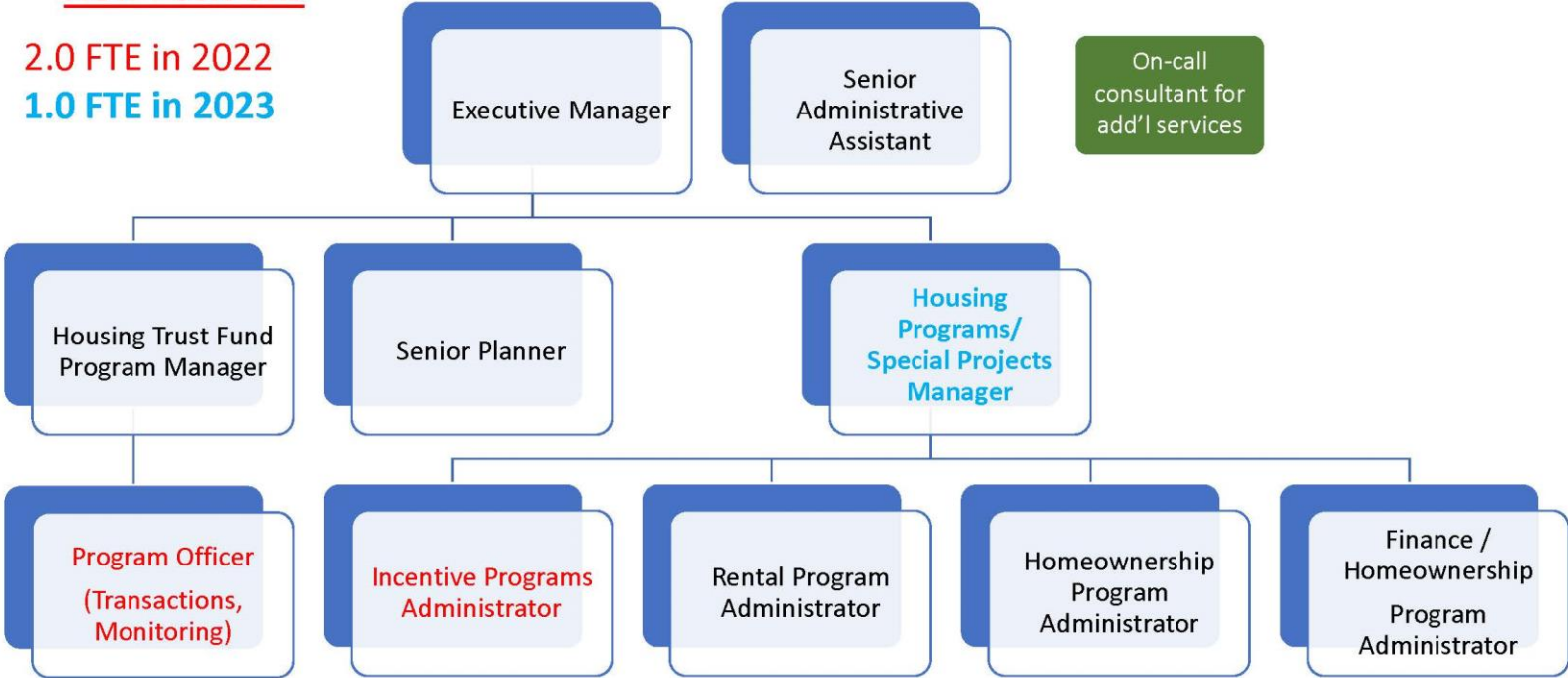
(See next page for graphic summary of Executive Board recommendations.)

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.



City of Medina, Washington
PROCLAMATION
2022 Sexual Assault Awareness Month
Building Safe Online Spaces Together

Whereas: In Washington State, 45% of women and 22% of men report having experienced sexual violence in their lifetime, and 29% of the survivors who were supported by community sexual assault organizations statewide identified as Black, Indigenous and people of color in 2019. Of those identifying ethnicity, 21% identified as Latinx/Hispanic; and

Whereas: Rape is among the most underreported crimes for many reasons, including victims' fear of being disbelieved or further traumatized within the legal system. Additional barriers, such as language, immigration status, gender bias, and systemic racism further oppress and silence victims; and

Whereas: Individual and community impacts of sexual violence are rooted in and compounded by racism, sexism, heterosexism, and other forms of oppression. Black, Indigenous and other people of color, people living in poverty, LGBTQ+ people, elders, people with disabilities, and other people targeted by oppression are disproportionately affected by sexual violence in significant and complex ways; and

Whereas: Sexual violence exists on a continuum of behavior and includes racist, sexist, transphobic, homophobic, ableist or other hate speech. This ranges from rape jokes to verbal harassment to threats of rape and assault. Harassing comments and behaviors that take place online can and do traumatize victims, and their impacts should not be minimized; and

Whereas: 41% of Americans have been personally subjected to harassing behavior online, and people from historically oppressed groups are more likely to experience online harassment, mirroring inequities we see elsewhere in society; and

Whereas: Negative impacts of sexual violence trauma on adults, youth, and children include fear, concern for safety, physical and mental health conditions, including symptoms of post-traumatic stress disorder, injury, and missed work or school; and

Whereas: Working together as a community, we can alleviate the trauma of sexual violence by ensuring supportive resources are available to all survivors, while standing up to and actively disrupting harmful attitudes and behaviors that contribute to sexual violence.

Now, therefore, I/WE, CITY OF MEDINA join advocates and communities throughout King County in taking action to prevent sexual violence by standing with survivors and proclaiming April 2022 SEXUAL ASSAULT AWARENESS MONTH.

Together, we commit to a safer future for all children, young people, adults, and families in our community.

Jessica Rossman, Mayor – City of Medina

NO ATTACHMENTS



CITY OF MEDINA

501 EVERGREEN POINT ROAD | PO BOX 144 | MEDINA WA 98039-0144
TELEPHONE 425-233-6400 | www.medina-wa.gov

Date: April 11, 2022

To: Honorable Mayor and City Council

From: Stephen R. Burns, Interim City Manager

Subject: Interim City Manager Report – April 2022

1. City Management Transition – On January 4th, I started my role as interim city manager and have continued to work with department directors and staff to make an efficient transition. I continue to meet routinely with directors to ensure projects and programs stay on track. In addition, I have met with individual staff to gain better understanding of their roles, responsibilities, perspective, and address any concerns. The transition continues to move in a positive direction.
2. Medina Finance Director – Ryan Wagner was hired to be the next Medina Finance and HR Director. Ryan grew up in Bellevue, attended California Polytechnic State University. He is excited to join our team and get involved in the community. Ryan's first day with the city is Monday, April 11, 2022. We are all very excited to have Ryan join the management team.
3. Assistant Finance Director Anna Zhu resigned her position with the city, after almost 5 years with Medina. Anna's last day was Tuesday, April 5, 2022. We appreciate her attention to detail, dedication, and friendly demeanor. We wish Anna well in her new endeavor.
4. State Route 520 Expansion Joint – University of Washington did a high-speed test at the PACCAR technical center track in Mount Vernon on March 11. Initial reports are the testing went well and the University of Washington will be providing their findings soon. More to come at a future meeting.

In addition, the Governor signed the transportation budget bill with the SR 520 language intact with one adjustment – DOT's final report must be submitted by December 31, 2022, instead of June 2022.



MEDINA POLICE DEPARTMENT

DATE: April 11, 2022

TO: Interim City Manager Stephen R. Burns

FROM: Acting Chief Jeffrey R. Sass

RE: Police Department Update – March 2022

The following is a summary highlighting some of the Medina Police Department activity in March 2022.

Follow-up Items from March Meeting: A few items that have been addressed from last month's meeting are:

- Councilmember Jennifer Garone requested that a notice be sent out to all building development contractors in the city. Rob Kilmer with Development Services sent a letter from the Police Department to encourage them to help keep the city's streets safe by reducing their speeds and to watch out for walkers, cyclists, and pets.
- Councilmember Bob Zook requested that a speed limit sign be added to the digital speed signs. We are working with Director Ryan Osada to have this completed. Below is a picture taken of a digital speed sign in the City of Bellevue with the speed limit posted above which will be a model for us to follow when implementing our signs shortly.



Medina Police Department
March 2022

Catalytic Converter Task Force: Interim Chief Jeff Sass represented the City of Medina at a media presentation of the Eastside Task Force for Catalytic Converters. The event was hosted by the Bellevue Police Department and several local news channels were in attendance. The task force, consisting of eight Eastside law enforcement agencies as well as the King County Sheriff's Office, will share information and resources to address the growing and costly problem for vehicle owners who spend thousands of dollars replacing a stolen catalytic converter.

Catalytic converters are devices that transform the toxic exhaust gases from internal combustion engines into pollutants that are less toxic. Converters are sold for the precious metals that are inside the muffler, including platinum, palladium, and rhodium.



Marine Patrol: Mercer Island Marine Patrol started off the month of March training ten new Marine Patrol Officers that will be attending the Marine Patrol Academy in April and May. Officers spent time on the vessels and were shown the jurisdictions that are patrolled and areas of direct patrolling. Medina residents may have seen their patrols vessels practicing vessel stops just south of the 520 Bridge. They also began their yearly buoy survey and will start replacing missing buoys over the next two months in preparation for the boating season.

The Marine Patrol had no calls for service for Medina but did hose off the floating dock twice this month due to the geese gathering on the dock.



Medina Emergency Radio Group: An additional emergency operations center radio antenna was installed on the City Hall roofline, increasing the radio coverage and signal strength for the radios used during an emergency. The existing aging radio antenna was also replaced, adding additional signal strength to the emergency radio system.

Save the Date (s):

1. Shredder/Drug-Take-Back/E-recycle is set for April 23rd from 9A-12N at Medina Park.
2. Emergency Preparedness Committee Virtual Meeting, Wednesday, April 13, 4P-5:30P.



MEDINA POLICE DEPARTMENT
Jeff Sass, Acting Chief of Police
MONTHLY SUMMARY
MARCH 2022



FELONY CRIMES

Nothing to report.

MISDEMEANOR CRIMES

Hit and Run Collision **2022-00000912** **03/01/2022**
A Police Officer was notified of a city streetlight being struck by an unknown vehicle in the 8600 Block of Lake Washington Boulevard. There is no time frame when this had occurred.

Domestic Violence **2022-00001194** **03/22/2022**
A Police Officer responded to a reported domestic violence call.

OTHER

Warrant Arrest **2022-00000945** **03/07/2022**
A Police Officer was dispatched to the 7700 Block of NE 24th St for report of a suspicious subject. The officer conducted a record's check on the individual that returned with a warrant with the Department of Corrections. The subject was placed into custody and booked into the Score Jail.



MEDINA POLICE DEPARTMENT

Jeffrey R. Sass, Chief of Police (Acting)

City of Medina



March 2022 - Monthly Report

CRIMES	Current Month	YTD 2022	YTD 2021	Year-End 2021
Burglary	0	1	2	13
Vehicle Prowl	0	3	4	13
Vehicle Theft	0	3	0	2
Theft (mail & all other)	0	1	5	15
ID Theft/Fraud	0	3	4	11
Malicious Mischief (Vandalism)	0	1	1	6
Domestic Violence/Violation of No Contact Order	1	2	1	10
Disturbance, Harassment & Non-DV Assault	1	3	5	17
TOTAL CRIMES	2	17	22	87

COMMUNITY POLICING	Current Month	YTD 2022	YTD 2021	Year-End 2021
Drug Violations - Referrals to Treatment	0	0	0	1
Community Assists	4	27	25	116
House Watch Checks	49	157	135	548
School Zone	24	72	51	304
Mental Health	3	8	4	49
TOTAL ENFORCEMENT	80	264	215	1018

TRAFFIC	Current Month	YTD 2022	YTD 2021	Year-End 2021
Collisions				
Injury	0	0	0	0
Non-Injury	1	3	6	18
Non-Reportable	0	0	N/A	N/A
Traffic Stops				
Citations/Infractions/Parking	48	99	23	171
Warnings	152	413	102	1808
Directed Patrol	18	49	120	488
TOTAL TRAFFIC	219	564	251	2485

CALLS FOR SERVICE	Current Month	YTD 2022	YTD 2021	Year-End 2021
Animal Complaints	3	11	9	33
Residential Alarms	21	57	41	242
Missing Persons	0	1	2	9
Suspicious Activity/Area Checks	15	49	41	304
Medical Call/Assist Fire Department	3	7	13	47
Juvenile (underage party, substance use, etc.)	0	1	4	11
TOTAL CALLS FOR SERVICE	42	126	110	646

*This report does not include all calls for service handled by Medina Police Officers. It is meant to be an overview of general calls for service within the specified reporting period.



MEDINA POLICE DEPARTMENT
Jeff Sass, Acting Chief of Police
MONTHLY SUMMARY
MARCH 2022



FELONY CRIMES

Nothing to report.

MISDEMEANOR CRIMES

Nothing to report.



MEDINA POLICE DEPARTMENT

Jeffrey R. Sass, Chief of Police (Acting)

Town of Hunts Point



March 2022 - Monthly Report

CRIMES	Current Month	YTD 2022	YTD 2021	Year-End 2021
Burglary	0	0	0	1
Vehicle Prowl	0	0	0	1
Vehicle Theft	0	0	0	2
Theft (mail & all other)	0	1	1	3
ID Theft/Fraud	0	0	1	1
Malicious Mischief (Vandalism)	0	0	0	2
Domestic Violence/Violation of No Contact Order	0	0	2	2
Disturbance, Harassment & Non-DV Assault	0	2	1	1
TOTAL CRIMES	0	3	5	13

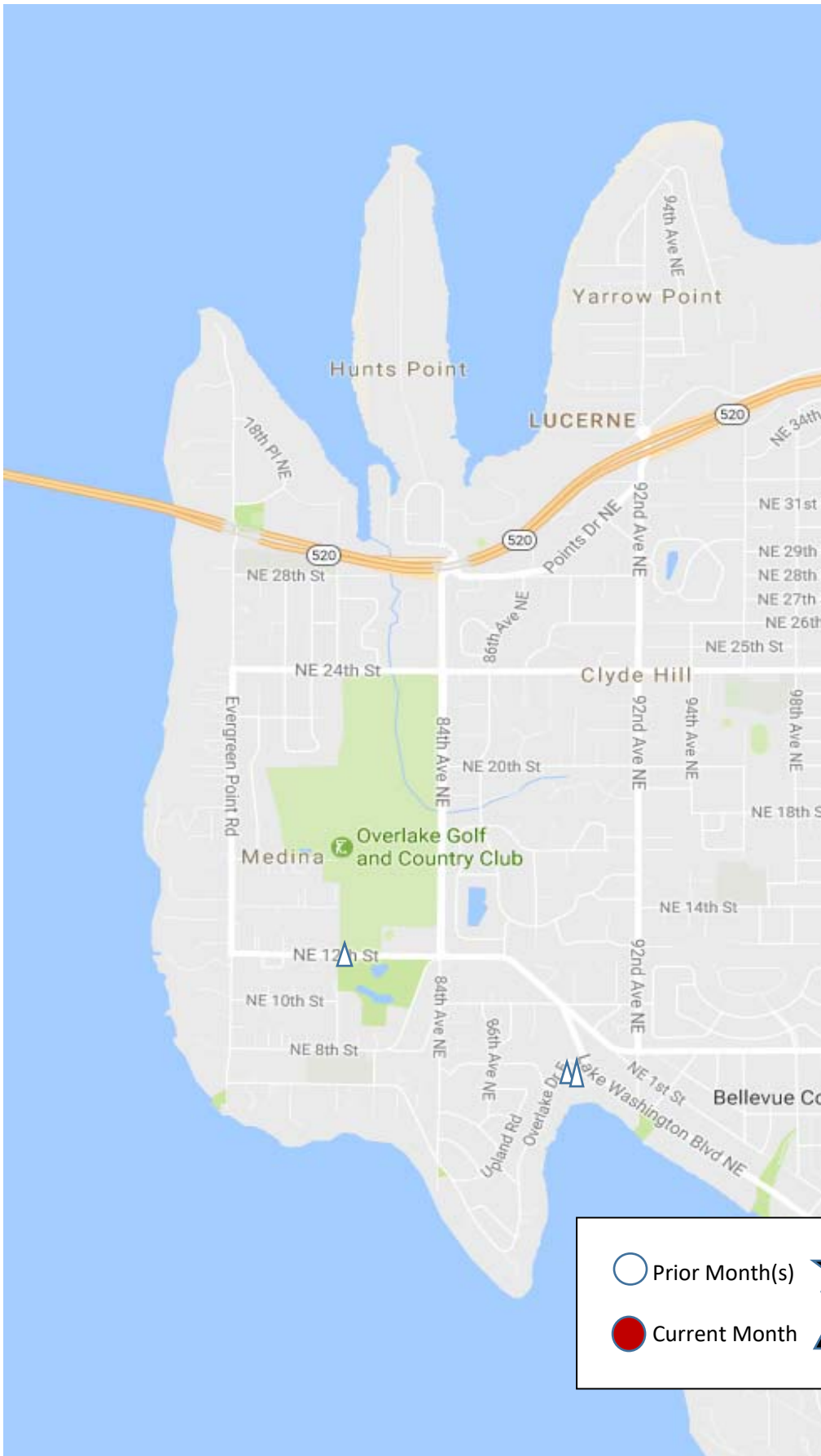
COMMUNITY POLICING	Current Month	YTD 2022	YTD 2021	Year-End 2021
Drug Violations - Referrals to Treatment	0	0	0	0
Community Assists	0	1	1	11
House Watch Checks	6	21	20	66
Mental Health	2	2	3	5
TOTAL ENFORCEMENT	8	24	24	82

TRAFFIC	Current Month	YTD 2022	YTD 2021	Year-End 2021
Collisions				
Injury	0	0	0	0
Non-Injury	0	0	0	1
Non-Reportable	0	0	0	0
Traffic Stops				
Citations/Infractions/Parking	14	24	5	28
Warnings	27	71	17	187
Directed Patrol	3	11	15	38
TOTAL TRAFFIC	44	106	37	254

CALLS FOR SERVICE	Current Month	YTD 2022	YTD 2021	Year-End 2021
Animal Complaints	0	1	0	5
Residential Alarms	0	8	4	24
Missing Persons	0	0	0	0
Suspicious Activity/Area Checks	0	4	5	33
Medical Call/Assist Fire Department	2	2	2	2
Juvenile (underage party, substance use, etc.)	0	0	0	1
TOTAL CALLS FOR SERVICE	2	15	11	65

*This report does not include all calls for service handled by Medina Police Officers. It is meant to be an overview of general calls for service within the specified reporting period.

2022 Burglaries & Vehicle Prowls Medina & Hunts Point





CITY OF MEDINA

501 EVERGREEN POINT ROAD | PO BOX 144 | MEDINA WA 98039-0144
TELEPHONE 425-233-6400 | www.medina-wa.gov

Date: April 11, 2022
To: Honorable Mayor and City Council
Via: Stephen R. Burns, Interim City Manager
From: Steven R. Wilcox, Development Services Department Director
Subject: Development Services Department Monthly Report

Permit Activity

Permit activity in the first quarter of 2022 was very slow. However, you will see in the March permit report that the valuation of work to date is actually higher than at the same time in 2021. Volume does not always equate to the level of value. Permit value translates into permit fees which is one aspect that our budget considers.

April has started with more work coming in so the trend may be changing. In any case 2022 has started off unusual for Development Services regarding permit application volume.

We are closely watching our budget. Later in the second quarter there will need to be decisions made regarding the potential for a budget amendment proposal. However, right now it is too early to know for certain where 2022 is headed. With two quarters of work we will then be ready to make recommendations.

Planning Commission

By Stephanie Keyser

Planning Commission continued discussing average grade during their March 22nd meeting. The Commission has asked Staff to bring back more examples for the next meeting.

Development Services Committee

The newly formed Development Services Committee (DSC) met for the first time in March. The DSC is advisory to the Development Services Director. We had a really productive and positive meeting.

At our first meeting we discussed process associated with starting the Comprehensive Plan Update. The initial content of the update was discussed. Knowing the content will allow us to solicit consultants to help us with this project. With the initial content determined a Request For Proposal (RFP) can be issued. Responses to the RFP should give us comparable costs to evaluate. We currently

have three interested companies who will respond to our RFP. The RFP will also be publicly noticed. The cost of the consultant will be brought to Council.

The DSC also discussed the work that Planning Commission performed last year on our Tree Management Code. The DSC discussion was focused on how to move the Planning Commission's recommendation through to Council considering input from residents which came late in the process last Fall. Our Planning Manager will be discussing this in detail in May.

Tree Management Code Consultant

Our new Tree Code Consultant, Andrea Starbird began work with us in March. Andrea works for Tree Solutions Inc. We will also be contracting separately with an arborist.

Andrea is currently evaluating existing development sites for compliance with existing Tree Activity Permits.

March 2022 Permit Applications Submitted

03/01/2022 – 03/31/2022

Permit Type	Submitted Date	Permit Number	Total Valuation	Address
ADVANCE DEPOSIT	03/01/2022	DEP00165		2206 EVERGREEN POINT RD
ADVANCE DEPOSIT	03/01/2022	DEP00166		632 EVERGREEN POINT RD
ADVANCE DEPOSIT	03/01/2022	DEP00167		2205 78TH AVE NE
ADVANCE DEPOSIT	03/01/2022	DEP00168		647 EVERGREEN POINT RD
ADVANCE DEPOSIT	03/01/2022	DEP00169		3211 EVERGREEN POINT RD
ADVANCE DEPOSIT	03/01/2022	DEP00170		935 88TH AVE NE
ADVANCE DEPOSIT	03/03/2022	DEP00171		2841 76TH AVE NE
ADVANCE DEPOSIT	03/09/2022	DEP00172		2436 82ND AVE NE
ADVANCE DEPOSIT	03/24/2022	DEP00173		530 87TH AVE NE
TOTAL ADVANCE DEPOSIT:	9		\$0.00	
B-ACCST	03/03/2022	B-22-009	\$34,000.00	414 UPLAND RD
TOTAL B-ACCST:	1		\$34,000.00	
B-ADD/ALT	03/10/2022	B-22-031		8206 OVERLAKE DR W
B-ADD/ALT	03/28/2022	B-22-039		7724 NE 8TH ST
TOTAL B-ADD/ALT:	2		\$0.00	

B-DEM	03/15/2022	D-22-004		7617 NE 24TH ST
TOTAL B-DEM:	1		\$0.00	
B-GAS	03/10/2022	G-22-011		1617 73RD AVE NE
TOTAL B-GAS:	1		\$0.00	
B-MECHANICAL	03/25/2022	M-21-080		1312 Evergreen Point Road
B-MECHANICAL	03/03/2022	M-22-027		3444 EVERGREEN POINT RD
B-MECHANICAL	03/03/2022	M-22-028		2433 79TH AVE NE
B-MECHANICAL	03/08/2022	M-22-030		538 OVERLAKE DR E
B-MECHANICAL	03/15/2022	M-22-031		2611 EVERGREEN POINT RD
B-MECHANICAL	03/10/2022	M-22-032		8206 OVERLAKE DR W
B-MECHANICAL	03/15/2022	M-22-034		8232 OVERLAKE DR W
B-MECHANICAL	03/16/2022	M-22-035		8810 NE 2ND PL
B-MECHANICAL	03/17/2022	M-22-036		2643 Evergreen Point Road
B-MECHANICAL	03/18/2022	M-22-037		841 86TH AVE NE
B-MECHANICAL	03/24/2022	M-22-040		300 OVERLAKE DR E
B-MECHANICAL	03/28/2022	M-22-041		1898 77TH AVE NE

B-MECHANICAL	03/31/2022	M-22-042		7613 OVERLAKE DR W
TOTAL B-MECHANICAL:	13		\$0.00	
B-PIER	03/03/2022	B-22-029	\$18,000.00	3225 EVERGREEN POINT RD
B-PIER	03/17/2022	B-22-032	\$250,000.00	1447 Evergreen Point Rd
TOTAL B-PIER:	2		\$268,000.00	
B-PLUMBING	03/09/2022	P-22-013		3436 EVERGREEN POINT RD
B-PLUMBING	03/25/2022	P-22-014		7545 NE 28TH PL
TOTAL B-PLUMBING:	2		\$0.00	
B-POOL/SPA	03/02/2022	B-22-022	\$165,000.00	2005 EVERGREEN POINT RD
TOTAL B-POOL/SPA:	1		\$165,000.00	
B-ROOF	03/21/2022	B-22-036		336 OVERLAKE DR E
TOTAL B-ROOF:	1		\$0.00	
PW-RIGHT OF WAY	03/03/2022	PW-ROW-22-027		3265 Evergreen Point Rd
PW-RIGHT OF WAY	03/11/2022	PW-ROW-22-028		2036 EVERGREEN POINT RD
PW-RIGHT OF WAY	03/14/2022	PW-ROW-22-030		2244 77TH AVE NE
PW-RIGHT OF WAY	03/24/2022	PW-ROW-22-032		1800 77TH AVE NE
PW-RIGHT OF WAY	03/24/2022	PW-ROW-22-033		1221 Evergreen Point Rd

PW-RIGHT OF WAY	03/24/2022	PW-ROW-22-034		425 86TH AVE NE
PW-RIGHT OF WAY	03/28/2022	PW-ROW-22-035		1686 77TH AVE NE
TOTAL PW-RIGHT OF WAY:	7		\$0.00	
TREE-HAZARD EVALUATION	03/14/2022	TREE-22-026		8105 NE 5TH ST
TOTAL TREE-HAZARD EVALUATION:	1		\$0.00	
TREE-PERFORMANCE	03/02/2022	TREE-22-022		2841 76TH AVE NE
TREE-PERFORMANCE	03/10/2022	TREE-22-025		7830 NE 12TH ST
TOTAL TREE-PERFORMANCE:	2		\$0.00	
TREE-WITH BUILDING/DEVELOPMENT	03/03/2022	TREE-22-023		707 OVERLAKE DR E
TOTAL TREE-WITH BUILDING/DEVELOPMENT:	1		\$0.00	
Total # of Permits	44		\$467,000.00	



Monthly Issued Permit Report

March, 2022

Page 1 of 1

Report run on: 04/04/2022 07:11 AM

Construction Value:	March 2022	March 2021	2022 YTM	2021 YTM	Difference
Accessory Structure	\$70,000.00	-	\$70,000.00	-	\$70,000.00
Addition / Alteration	-	\$2,072,522.94	\$895,035.00	\$2,595,522.94	(\$1,700,487.94)
Fence / Wall	-	\$8,100.00	\$78,500.00	\$17,100.00	\$61,400.00
New Construction	\$1,908,531.00	\$2,979,916.00	\$9,553,837.00	\$5,344,575.00	\$4,209,262.00
Repair / Replace	-	-	-	-	\$0.00
Wireless Comm. Facility	\$70,000.00	-	\$70,000.00	-	\$70,000.00
Total Value:	\$2,048,531.00	\$5,060,538.94	\$10,667,372.00	\$7,957,197.94	\$2,710,174.06

Permits Issued:	March 2022	March 2021	2022 YTM	2021 YTM	Difference
New Construction	1	1	4	2	2
Permit Extension	5	15	11	24	(13)
Accessory Structure	1	-	1	-	1
Addition / Alteration	1	3	3	8	(5)
Construction Activity Permit	1	2	8	4	4
Demolition	2	1	5	3	2
Fence / Wall	-	1	3	3	0
Grading / Drainage	2	1	5	2	3
Mechanical	15	7	32	22	10
Other - Moving	-	-	-	-	0
Plumbing / Gas	3	5	14	23	(9)
Repair / Replace	-	-	-	-	0
Reroof	-	-	-	-	0
Right of Way Use	11	5	23	20	3
Tree Mitigation	6	7	19	13	6
Wireless Comm. Facility	1	-	1	-	1
Total Permits:	49	48	129	124	5

Inspections:	March 2022	March 2021	2022 YTM	2021 YTM	Difference
Building	91	84	263	226	37
	38	21	65	54	11
Engineering/Other	6	3	17	10	7
Tree	15	4	21	5	16
Total Inspections:	150	112	366	295	71

Case Number	Case Type	Case Status	Assigned To	Address	Case Text
CC-2022-031	FORMAL, WRITTEN WARNING	COMPLETED	Rob Kilmer	1637 77TH AVE NE	<p>Description: Construction related vehicles parked in ROW</p> <p>Action Taken: Formal Warning issued to project Agent via email, mail, and certified mail.</p>
CC-2022-032	STOP WORK ORDER	COMPLETED	Rob Kilmer	8847 NE 2ND PL	<p>Description: Construction of a small accessory structure observed within property setbacks.</p> <p>Action Taken: Communicated with the homeowners and verified that the structure was not in compliance with the setback requirements of the Medina Municipal Code. Homeowners have now disassembled the structure.</p>
CC-2022-033	SIGN VIOLATION	COMPLETED	Rob Kilmer	8398 NE 12TH ST	<p>Description: Commercial sign placed in shoulder of Right of Way.</p> <p>Action Taken: Retrieved sign and notified business that commercial advertising signs are not permitted to be displayed in the City.</p>
CC-2022-034	FORMAL, WRITTEN WARNING	COMPLETED	Rob Kilmer	3430 EVERGREEN POINT RD	<p>Description: Multiple construction-related vehicles parked along Right of Way at Southeast Corner of 78th Place NE & Evergreen Point Road.</p> <p>Action Taken: Issued formal, written warning to the project Agent.</p>
CC-2022-035	GENERAL	COMPLETED	Rob Kilmer	2857 76TH AVE NE	<p>Description: Report of Park and Ride being used by construction related workers</p> <p>Action Taken: Investigated and determined that the construction workers are being dropped off at the park and ride by a shuttle to comply with off-site parking agreement of CMP permit.</p>
CC-2022-036	GENERAL	COMPLETED	Rob Kilmer	2604 79TH AVE NE	<p>Description: Construction related vehicle parked partially in ROW</p> <p>Action Taken: Spoke with driver to educate about construction parking requirements. Driver moved vehicle.</p>

Case Number	Case Type	Case Status	Assigned To	Address	Case Text
CC-2022-037	GENERAL	COMPLETED	Rob Kilmer	854 EVERGREEN POINT RD	<p>Description: Report of construction being performed without proper permits.</p> <p>Action Taken: Visited site and spoke with site manager. Activities currently being performed, cabinetry, countertops, repainting, do not require a permit. Future work to add skylights will require a building permit, but they are not ready to apply for this yet.</p>
CC-2022-038	ROW VIOLATION	COMPLETED	Rob Kilmer	619 84TH AVE NE	<p>Description: Construction related vehicle parked in ROW</p> <p>Action Taken: Warning sent to project agent that the vehicle must be removed immediately per the conditions of the project's revised parking agreement.</p>
CC-2022-039	GENERAL	COMPLETED	Rob Kilmer	8417 NE 10TH ST	<p>Description: Potential construction related vehicles parked in ROW</p> <p>Action Taken: Spoke with drivers and determined the vehicles to be related to landscaping work exempt from parking rules.</p>
CC-2022-040	GENERAL	COMPLETED	Rob Kilmer	2450 78TH AVE NE	<p>Description: Report of potential construction related vehicles parked in ROW.</p> <p>Action Taken: Investigated site. First vehicle belongs to an AV installer working for a private homeowner across the street. Second vehicle is a privately owned truck. All Construction related vehicles were parked within the private-property boundaries of the site.</p>
CC-2022-041	GENERAL	COMPLETED	Rob Kilmer	8819 NE 2ND PL	<p>Description: Potentially construction related vehicles parked in ROW</p> <p>Action Taken: Investigated and determined that the vehicles belong to a landscaping crew in the process of loading landscaping rocks onto a flat-bed hauling truck. Workers moved two vehicles out of the ROW and stated that the flat-bed truck would be able to leave in 15-20 minutes. The truck was gone the next time I passed by.</p>



King County Recorder's Office
 500 Fourth Ave, Rm 430
 Seattle, WA 98104
 (206) 477-6620

Monthly REET Distrib

AGENDA ITEM 9.1c

From 3/1/2022 to 3/31/2022
 Print Date: 4/4/2022 8:59 AM
 Jurisdiction: MEDINA

Excise Tax Number	Recorded Date	Conveyance Doc	Sale Date	Taxable Selling Price	CIP 1	CIP 2	CIP 1 INT	CIP 2 INT	COUNTY	Total Local	Jurisdiction	Tax Amount	Tax Exempt
Jurisdiction: MEDINA													
3175660	3/2/2022	WARRANTY DEED	02/26/2022	4,500,000.00	11,137.50	11,137.50	0.00	0.00	1,584.15	23,859.15	MEDINA	127,050.00	N
		Grantor: VAN SANT, PETER R		Grantee: SEA21G LLC,		Parcel ID: 5424700190		Instrument: 20220302001510					
3175769	3/3/2022	WARRANTY DEED	02/08/2022	2,568,000.00	6,355.80	6,355.80	0.00	0.00	748.11	13,459.71	MEDINA	60,510.00	N
		Grantor: MINCIO, KEVIN		Grantee: 2020 EPR LLC,		Parcel ID: 3262300335		Instrument: 20220303000647					
3177485	3/14/2022	WARRANTY DEED	03/07/2022	10,030,000.00	24,824.25	24,824.25	0.00	0.00	4,017.35	53,665.85	MEDINA	320,600.00	N
		Grantor: WANG, TAO		Grantee: COLLERAN, WILLIAM THOMAS		Parcel ID: 2470100010		Instrument: 20220314000674					
3178073	3/16/2022	WARRANTY DEED	03/16/2022	3,050,000.00	7,548.75	7,548.75	0.00	0.00	946.15	16,043.65	MEDINA	76,300.00	N
		Grantor: YOUNG, JONATHAN R		Grantee: WANG, SIDA		Parcel ID: 5425700085		Instrument: 20220316000867					
3178263	3/17/2022	WARRANTY DEED	03/07/2022	6,980,000.00	17,275.50	17,275.50	0.00	0.00	2,675.35	37,226.35	MEDINA	213,850.00	N
		Grantor: FONTOURA, MARCUS F		Grantee: WANG, SHUO		Parcel ID: 3262300725		Instrument: 20220317000801					
MEDINA Subtotal:				27,128,000.00	67,141.80	67,141.80	0.00	0.00	9,971.11	144,254.71		798,310.00	
Count:	5	Report Totals:		27,128,000.00	67,141.80	67,141.80	0.00	0.00	9,971.11	144,254.71		798,310.00	

Finance Monthly Report
NO REPORT FOR MARCH 2022



CITY OF MEDINA

501 EVERGREEN POINT ROAD | PO BOX 144 | MEDINA WA 98039-0144
 TELEPHONE 425-233-6400 | www.medina-wa.gov

Date: April 11, 2022
To: Honorable Mayor and City Council
Via: Stephen R. Burns, Interim City Manager
From: Aimee Kellerman, City Clerk
Subject: Central Services Department Monthly Report

APRIL AND MAY PUBLIC MEETINGS AND EVENTS

Event	Date	Time	Location
Park Board Meeting - CANCELLED	Apr 18		
Medina City Manager Forum/Open House – City Manager Interview	Apr 19	5:30 pm – 7:30 pm	Medina City Hall and Online
Shredder/Drug-Take Back/E-cycling Day	Apr 23	9:00 am – 12:00 pm	Medina Park Parking Lot
City Council Meeting	Apr 25	4:00 pm	Teleconference/Online
Joint CC/PC Meeting	Apr 26	4:00 pm	Teleconference/Online
Arbor Day Tree Planting	Apr 29	10:00 am	Medina Park
City Council Meeting	May 9	4:00 pm	Teleconference/Online
Park Board Meeting	May 16	5:00 pm	Teleconference/Online
City Council Meeting	May 23	4:00 pm	Teleconference/Online
Planning Commission Meeting	May 24	4:00 pm	Teleconference/Online
Memorial Day – City Hall Closed	May 30		

Meetings are publicly noticed on the City’s three official notice boards, City website, and via GovDelivery. Occasionally notices require publication in the City’s official newspaper, The Seattle Times. Public meetings scheduled after publication of this report can be found on the City’s website.

COMMUNICATION TO OUR COMMUNITY

E-Notice Program: During the month of March, the City issued 21 bulletins amounting to a total of 100,766 bulletins delivered to subscribers; approximately 15.0% were opened. See **Attachment 1**.

As of March 31, the city had 12,623 subscribers (change in total subscribers **+114**), with a combined total of 121,384 subscriptions (change in total subscriptions **-828**).

RECORDS REQUESTS

As of March 31, 14 public records requests have been received by Central Services. See **Attachment 2**.

	Bulletins Developed	Total Recipients	Total Delivered	Unique Email Opens	Unique Email Open Rate	Wireless Recipients
Comparisons:						
March, 2022	21	108,426	100,766	11,437	15.00%	28,354
February, 2022	17	48,354	44,691	4,260	11.80%	10,350
January, 2022	25	101,589	94,429	10,651	14.20%	23,288
December, 2021	32	193,448	180,037	18,165	13.10%	49,149
November, 2021	27	100,179	93,226	7,593	10.20%	22,569
October, 2021	37	124,366	118,068	9,230	8.60%	21,579
September, 2021	25	86,280	80,364	6,546	10.10%	18,846
August, 2021	21	98,271	92,022	9,193	12.40%	21,013
July, 2021	17	46,230	43,222	4,020	10.80%	7,435
June, 2021	23	80,050	75,120	6,629	10.40%	13,924
May, 2021	31	120,746	113,370	10,176	10.70%	21,364
April, 2021	35	115,716	109,081	9,571	10.10%	17,510
March, 2021	37	101,291	95,540	8,119	9.50%	12,522
February, 2021	26	71,737	67,738	6,927	11.50%	9,355
Date Sent	Top 10 Most Read Bulletins During March			Emails Opened	Email Open Rate	
03/03/2022 03:30 PM PST	Community Bulletin - Spring Clean and Shred on Saturday April 23, 2022			837	23%	
03/04/2022 12:09 PM PST	Medina City Council Retreat Agenda - March 10, 2022			1,145	15%	
03/08/2022 03:26 PM PST	Medina Launches New Citizen Engagement Mobile App March 14, 2022 Medina City Council Regular Meeting (on- line) Agenda			1,363	16%	
03/11/2022 10:21 AM PST	Notice of Emergency Preparedness Committee Meeting (Virtual) Wednesday, April 13 at 4:00 pm			1,033	14%	
03/11/2022 01:39 PM PST	Save the Date! Medina Easter Egg Hunt is BACK!! - Saturday, April 2, 2022			1,392	16%	
03/16/2022 03:30 PM PDT	March 28, 2022 Medina City Council Regular Meeting (on- line) Agenda			1,207	14%	
03/25/2022 10:11 AM PDT	Reminder - 4 days until the Medina Easter Egg Hunt - Saturday, April 2, 2022			1,049	14%	
03/29/2022 10:21 AM PDT	Community E-lert® - Soliciting			1,031	14%	
03/31/2022 07:36 AM PDT	Potential Quorum Notice - Medina Easter Egg Hunt - April 2, 2022			863	29%	
03/31/2022 04:00 PM PDT				1,028	14%	

**ATTACHMENT 2**

501 EVERGREEN POINT ROAD • P.O. BOX 144 • MEDINA, WA 98039-0144
TELEPHONE (425) 233-6400 • FAX (425) 451-8197 • www.medina-wa.gov

DATE: April 11, 2022
TO: Mayor and City Council
From: Aimee Kellerman, City Clerk
Subject: March 2022, Public Records Request Tracking

In March 2022, Central Services staff received **14** new public records requests, **1** ongoing public records request. These requests required approximately **8.5 hours** of Central Services staff time and **0 hours** of consulting time with the City Attorney. The overall March cost, which includes staff hourly rate plus benefits and City Attorney fees is approximately **\$458**.

In addition, the police department receives public records requests specific to police business that require records research and information distribution. In March 2022, the Police Department received **14** new records requests. These requests required approximately **4.5 hours** of staff time and **0 hours** of consulting time with the City Attorney. The overall March cost, which includes staff hourly rate plus benefits is approximately **\$280**. The requests are from outside law enforcement agencies, insurance carriers, the public and persons involved in the incidents.

March 2022 Monthly PRR Report

ATTACHMENT 2

Run Date: 04/07/2022 9:26 AM

March 2022 Monthly PRR Report

Assigned Dept	Create Date	Reference No	Request Type	Required Completion Date	Summary	Customer Full Name	PRR - Type of Records Requested	Public Record Desired	Assigned Staff
Central Services	3/3/2022	P002343-030322	Public Records Request	3/14/2022	Public Records Request	Architect John Stoeck	Development Services	I'm looking for the full approved permit set for B-13-087. It was issued on 6/25/15 and it expired on 12/25/16. The property address is: 3655 Evergreen Point Rd. If they're not available electronically, I can pick up copies. Thanks	Dawn Nations
Central Services	3/8/2022	P002347-030822	Public Records Request	4/15/2022	Public Records Request	Marsha Parker	Building	Please provide final building plans for 1525 79th PI NE. Please include any emails relating to this project. Thank you	Dawn Nations
Central Services	3/10/2022	P002350-031022	Public Records Request	3/21/2022	Public Records Request	Braden Mineer	Building	Requesting a report of all issued and pending building permits for residential & commercial properties from 02/1/2022 to 02/28/2022. Report to include if possible: permit number, issue date, site addresses, valuation of project, description of work, contractor information and owner name. If a report is unavailable, then copies of the original permits would be more than adequate.	Dawn Nations
Central Services	3/14/2022	P002354-031422	Public Records Request	3/25/2022	Public Records Request	David McCourt	Building	2621 78th Ave NE, Permit B-20-077. 2627 78th Ave NE, Permit B-20-076. Hi Dawn, Are plans still to be viewed in house or have you gone digital yet? You put one of my last requests in July on a flash drive. Hopefully that's an option. Please let me know what process you're using and when I can come by. Thursdays are still my best day. Thanks, David	Dawn Nations
Central Services	3/17/2022	P002356-031722	Public Records Request	4/4/2022	Public Records Request	Susan Sullivan	Development Services	Can I please have any records that are available for the properties at 444, 446, and 450 Overlake Drive E., Medina for the period 1990-2020? I am especially interested in documents from the 1096 variance proceedings for 446 Overlake Drive E. that took place in the late 1990s. Thank you!	Dawn Nations

ATTACHMENT 2

Central Services	3/18/2022	P002359-031822	Public Records Request	3/29/2022	Public Records Request	Mr Miles Adam	Development Services	All-----I am not sure who to contact so I am hoping from this list I have reached the correct party. Our neighbors at 8417 10th St are in the process of cutting down a huge, and I mean huge, tree. I cannot believe they received a permit to do this because it is causing no harm and it adds a great deal to the look and feel of our neighborhood. While it is probably to late to save this tree-----and these are the type of trees our city should be making sure are saved because we can never replace them-----this sad happening leads to many questions. How did they get a permit to do this? What was it based upon? Why was there no input from the neighbors? What is the mitigation plan to address this significant loss to the community? Most important-----why does the city have no way of protecting our environment?? We view Medina as a community that cares about preserving our natural setting-----why aren't we doing something about it? And finally, smart move on their part to cut the tree down on a Saturday when there is no way to appeal this horrible action. Actions like this should not happen in Medina. I look forward to a complete response from whoever is the appropriate party. Thank you. Miles Adam	Aimee Kellerman
Central Services	3/18/2022	P002360-031822	Public Records Request	3/29/2022	Public Records Request	Professor, Dept. of English Debra Dean	Central Services	In preparation for a book publication, I'm trying to locate building plans for my family's homes. One of the houses was in Medina, so I'm hoping the city will have the plans in your archives. The address and parcel numbers is as follows: 7625 Overlake Drive, Parcel #3625049011 I appreciate any help you can offer.	Dawn Nations
Central Services	3/22/2022	P002362-032222	Public Records Request	4/8/2022	Public Records Request	Architect BRYAN KRANNITZ	Building	Please provide Architectural plan set as submitted/approved for permit for the following property, which has the home under construction currently: 8335 Overlake Drive West Medina, WA 98039 Thank you,	Dawn Nations
Central Services	3/23/2022	P002364-032322	Public Records Request	4/6/2022	Public Records Request	Janitor Michele Ray	Human Resources	SSa want me to call on HR!	Dawn Nations

ATTACHMENT 2

Central Services	3/24/2022	P002365-032422	Public Records Request	4/4/2022	Public Records Request	Jim Dearth	Building	For address 525 Overlake Dr. Were looking for information on survey, non-conforming garage, and original grade determination / building height for the existing residence which was remodeled ±10 years ago	Dawn Nations
Central Services	3/25/2022	P002366-032522	Public Records Request	4/5/2022	Public Records Request	Chas Peterson	Development Services	Aimee, Hope this email finds you well. Inquiring to see the best way to obtain copies of all multifamily and residential Pre-Application submittals and Land Use Application submittals trailing 6 months for proposed developments 30 units and up. Please give me a call with any questions. 425.761.3166	Dawn Nations
Central Services	3/28/2022	P002367-032822	Public Records Request	4/6/2022	Public Records Request	Lance Harwell	Development Services	Construction plans: 7842 NE 21st St, Medina If electronic record not available, we can inspect in person or pick up a copy. Trying to get a set as soon as possible. Thank you! Lance Harwell 425-637-8373	Dawn Nations
Central Services	3/28/2022	P002369-032822	Public Records Request	4/6/2022	Public Records Request	Mr. Edward freer	Building	Site plan for 2436 82nd Ave NE	Dawn Nations
Central Services	3/30/2022	P002370-033022	Public Records Request	4/8/2022	Public Records Request	David McCourt	Building	2604 - 79th Ave Ne / Permit B-20-088 707 Overlake Dr E / Permit B-20-042 2226 79th Ave NE / Permit B-21-001 Thanks! David	Dawn Nations





CITY OF MEDINA

501 EVERGREEN POINT ROAD | PO BOX 144 | MEDINA WA 98039-0144
TELEPHONE 425-233-6400 | www.medina-wa.gov

Date: April 11, 2022
To: Honorable Mayor and City Council
Via: Stephen R. Burns, Interim City Manager
From: Ryan Osada, Public Works Director
Subject: Public Works Monthly Report

- 1. **NE 7TH ST STORM INFRASTRUCTURE IMPROVEMENTS & OVERLAY** – Gray & Osborne is currently drafting construction plan documents for the stormwater infrastructure and overlay project along NE 7th St. These are two separate projects, and both are granted funded. The stormwater portion is expected to start early summer with the overlay sometime in September.



2. **77TH AVE NE STORMWATER REPAIR** – The section along 77th Ave NE was completed last month. The restoration delay came from the ongoing concrete strike, however the contractor was able to overcome the delivery issues to install curb and sidewalk. The section at NE 86th St is scheduled for the week of April 18th which will finish the contract obligations with Kamins Construction.



3. MEDINA PARK WILLOW – Last month the well-known Willow Tree that hung over the north pond for many years met it's demise. Unfortunately, the ground surrounding the trunk gave way and the willow fell into the pond. Our former arborist used to tell me that trees have a useful life in an urban environment. Public Works plans to replace the tree with another willow this year.



4. MAINTENANCE UPDATES – For the last couple months the Public Works crew has been dealing with beaver damage. There are several in the park ponds and surrounding areas which have been building dams and taking down significant trees in the wetlands. We are currently working with a licensed wildlife contractor who helps to relocated animals to more appropriate areas of the state.



5. PROJECT UPDATES –

2015 Medina Park Stormwater Pond Imp. – We are looking into alternate ways to dredge the stormwater ponds. Overlake Golf & Country Club is applying for a permit to dredge the northern ponds. Depending on the outcome, the city may use the same method.

2017 Medina Beach Park Tree Replanting – Phase III tree planting.

Medina Park Playground Improvements – Public Works is in possession of the playground equipment. This project is scheduled to start April 25th.

Post Office Floor Replacement – Due to potential subfloor issues, the city has hired a contractor to evaluate the post office building and provide an assessment of the structure.

Citywide Stormwater System Mapping & Evaluation – G&O has completed most of the mapping. We are currently working on scoping and mapping the storm infrastructure that is located on several private properties.

2021 Traffic Calming Solar Speed Signs – completed

2022 Hazardous Tree Removal – in review

NE 12th Street Sidewalk Improvements & Undergrounding – finalizing 90% construction drawings. Waiting for Comcast and Lumen to finish their drawings

77th Ave NE Stormwater Repair – Final connection at Medina Heights scheduled for April 18th

TIB_NE 7th Street Overlay – 84th Ave NE to Overlake Dr – stormwater improvement and overlay plans are being drafted.

77th Ave NE Storm Repair Phase 2 & Phase 3 – partially completed with Phase 1

2022 Localized Repair_Stormwater – revised to NE 7th ST Stormwater Improvements

2022 City Hall Repairs – Miscellaneous – in review

NO ATTACHMENTS