



MEDINA, WASHINGTON

AGENDA BILL

Monday, April 10, 2023

Subject: A Regional Coalition of Housing (ARCH) 2023 Budget and Work Plan and Trust Fund Recommendations

Category: Consent/Resolution

Staff Contact: Stephen R. Burns, City Manager

Summary

The City Council is requested to act on two 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 2023, the City budgeted \$27,476 for dues and projects.

2. Projects funded through ARCH Trust Fund: The ARCH Executive Board has recommended funding eight projects with contributions from Medina as follows:
 - a. Ardea at Totem Lake,
 - b. Habitat Bellevue Homes,
 - c. Kenmore Supportive Housing,
 - d. Kirkland Heights,
 - e. The Landing Shelter,
 - f. Inclusion Scattered Homes,
 - g. Spring District Transit-Oriented Development
 - h. Totem Six-Plex

Attachments:

1. 2023 ARCH Administrative Budget and Work Program
2. Resolution No. 431 including Exhibit A – Executive Board Memo, dated January 12, 2023

Budget/Fiscal Impact: \$27,476 (budgeted)

Recommendation: Approve.

City Manager Approval:

Proposed Council Motion: “I move that the City Council approve the 2023 ARCH Administrative Budget and Work Plan, Adopt Resolution No. 431, funding the eight projects listed in the combined amount not to exceed \$27,476 and authorize the administering Agency to execute documents and take all necessary actions on behalf of the City.”



ATTACHMENT 1 A Regional Coalition for Housing

Celebrating 30 years of bringing cities together to house East King County

Together Center Campus
16307 NE 83rd St, Suite 201
Redmond, WA 98052
(425) 861-3677

MEMORANDUM

Date: August 19, 2022

From: Lindsay Masters, ARCH Director
To: ARCH Member Councils

Subject: ARCH 2023 Budget and Work Program

This year marks the thirtieth anniversary of the founding of A Regional Coalition for Housing (ARCH). Conceived as an innovative approach to advancing affordable housing, the collaboration among local jurisdictions through ARCH has had a profound impact on creating access to housing opportunities for thousands of low and moderate-income households in our region. We are proud to celebrate these successes while also looking ahead to the important work in front of us. This memo provides an overview of ARCH's 2023 recommended Budget and Work Program.

2023 Administrative Budget and Work Program

As the need for affordable housing grows greater each year, the ARCH Executive Board has taken a thoughtful, phased approach to the expansion of ARCH's capacity to steward the increasing number of local housing programs adopted by member jurisdictions. The proposed 2023 Budget and Work Program continues to focus new capacity on essential program administration functions, while looking to next year for a deeper evaluation of needs around policy and planning support among members.

Administrative Budget Highlights

- A net two new FTEs will be added to ensure adequate capacity and support among the staff responsible for administering local housing programs, including the ARCH Homeownership Program, ARCH Rental Program and all local Incentive Programs.
- New costs are allocated within base member dues, which are assessed on a per capita basis for member cities. King County dues are increased from 2022 levels based on the overall increase in the budget.
- To address the near-term need for expanded planning support during Comprehensive Plan updates, the Board authorized use of ARCH reserves to hire an on-call consultant throughout the year.

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

Work Program Highlights

ARCH's Work Program provides for core services in five key areas: affordable housing investment, housing policy and planning, housing program administration, education and outreach, and general administration. In addition, the Work Program details specific support requested by individual member jurisdictions based on local housing plans and initiatives.

Following is a description of the priorities identified by the Board for ARCH's Work Program in 2023:

- Provide a housing needs analysis for all member cities in support of Comprehensive Plan Updates. ARCH has already begun to compile a comprehensive set of data on local housing supply, population characteristics, cost burden among various demographic groups, income-restricted housing and more. This information will be available for all jurisdictions to support Comprehensive Plan Updates currently underway.
- Support analysis to show how Comprehensive Plans can accommodate the range of housing needs required in the Growth Management Act (GMA) and Countywide Planning Policies (CPPs). As new requirements and guidance emerge for meeting local housing needs, ARCH will support analysis of housing policies and strategies and facilitate coordination among member planning staff.
- Report on measurable goals for production and preservation of affordable housing in the ARCH region. ARCH continues to maintain and expand its data on the production and preservation of affordable housing within member jurisdictions. This will create a reliable data source for ongoing reporting requirements under the GMA and CPPs, as well as reporting on locally adopted housing goals.
- Facilitate and advance proposals for dedicated revenue sources for affordable housing in East King County. ARCH has begun early outreach to member elected officials with the goal of developing consensus on one or more revenue options to create a stable, long-term funding source for developing affordable housing across our region. The ARCH Board will continue to guide further discussions and facilitate coordination of shared priorities and potential legislative advocacy on this topic.
- Continue to expand ARCH's capacity to accomplish its broader mission. The recommended staffing levels starting in 2023 will ensure that our capacity grows alongside the growth in local housing programs, as the ARCH Board looks ahead to evaluating other areas of need in the coming years.
- Develop compliance tools to meet evolving program needs, and continue to provide excellent stewardship of affordable housing assets. As in recent years, new staff capacity is prioritized for program administration and stewardship of assets created

through local housing programs. As these programs grow and change, ARCH will seek to create compliance and monitoring tools that adapt to evolving regulations among member cities, while continuing to maintain a user-friendly interface for developers, property managers, tenants, homebuyers and homeowners.

- Develop and implement policies to reduce cost burden in affordable housing. In response to the dramatic increases in allowable rent under current local housing programs this year, ARCH will work with member staff to conduct a stakeholder process to create policies that aim to provide more reasonable and sustainable rates of rent increases within affordable housing.
- Seek opportunities to advance projects and programs with high potential impact and facilitate projects in the pipeline with available resources. ARCH continues to guide the allocation of local resources for maximum benefit to the region, finding opportunities to leverage local funds and increasingly facilitating larger-scale affordable development opportunities. ARCH will also continue to serve as a strategic advisor to members and community groups seeking to advance significant projects on public land or in other key locations.
- Develop a strategic planning process to guide the ARCH coalition into the future. Building on other recent evaluations of ARCH's organizational capacity that recognized the vastly greater housing needs in the community, the ARCH Board will develop a process aimed at evaluating ARCH's structure, resources and other foundational aspects of the organization, to identify any changes needed to further advance ARCH's mission, values and Work Program.

Conclusion

Our coalition has built an impressive track record and list of accomplishments over the last thirty years. These successes put us in a strong position to tackle new challenges and strengthen our commitment to creating affordable and diverse housing choices in our community. We look forward to continuing our partnership and supporting all our members to contribute to needed solutions in the years to come.

Attachments:

1. 2023 ARCH Administrative Budget
2. 2023 ARCH Work Program

2023 ARCH Administrative Budget

Final Recommended Budget (June 2022)

	2022 Recommended Budget	Final 2023 Budget	% Change
I. TOTAL EXPENSES	\$ 1,490,462	\$ 1,874,248	26%
A. Personnel	\$ 1,307,088	\$ 1,717,777	31%
Salary and Benefits - Existing 9 FTEs	\$ 1,307,088	\$ 1,448,850	11%
Salaries	\$ 982,646	\$ 1,090,881	
Benefits	\$ 324,443	\$ 357,969	
New Staff Salary and Benefits		\$ 268,927	
B. Operating	\$ 86,394	\$ 103,142	19%
Rent & Utilities	\$ 24,780	\$ 38,117	
Telephone	\$ 6,145	\$ 7,518	
Travel/Training	\$ 2,600	\$ 2,600	
Auto Mileage	\$ 3,000	\$ 3,000	
Postage/Printing Costs	\$ 2,500	\$ 2,600	
Office Supplies/Furnishing	\$ 4,353	\$ 5,027	
Internet/Website Fees	\$ 3,090	\$ 3,214	
Periodical/Membership	\$ 11,400	\$ 11,400	
Misc. (events, job posting fees, etc.)	\$ 2,000	\$ 2,080	
Equipment Replacement	\$ 7,000	\$ 7,280	
Database/software licensing	\$ 19,526	\$ 20,307	
C. In-Kind Admin/Services	\$ 26,980	\$ 28,329	5%
Insurance	\$ 15,000	\$ 15,750	
IT Services	\$ 11,980	\$ 12,579	
D. Grants and Consultant Contracts	\$ 70,000	\$ 25,000	-64%
Consultant Contracts	\$ 20,000	\$ 25,000	
Special Projects/Programs - RAHTF Support	\$ 50,000		

	2022 Recommended Budget			Final 2023 Budget			% Change
	City Per Capita \$2.04 KC Per Capita \$1.70	Add'l \$0.35 Per Capita or \$3k minimum		City Per Capita \$2.58 KC Per Capita \$2.16	Add'l \$0.36 Per Capita or \$3k minimum		
II. TOTAL INCOME	\$1,490,462			\$ 1,874,248			
	TOTAL	BASE	ADD'L				
A. Member Contributions	\$1,334,162	\$1,204,162	\$130,000	\$ 1,687,043	\$ 1,550,543	\$ 136,500	26%
Beaux Arts Village	\$2,060	\$2,060		\$ 2,653	\$ 2,653		29%
Bellevue	\$344,457	\$293,949	\$50,508	\$ 429,021	\$ 376,377	\$ 52,644	25%
Bothell	\$93,127	\$93,127	\$0	\$ 119,461	\$ 119,461	\$ -	28%
Clyde Hill	\$6,777	\$6,777		\$ 8,653	\$ 8,653		28%
Hunts Point	\$2,060	\$2,060		\$ 2,653	\$ 2,653		29%
Issaquah	\$90,561	\$77,282	\$13,279	\$ 113,628	\$ 99,685	\$ 13,943	25%
Kenmore	\$49,257	\$46,257	\$3,000	\$ 62,304	\$ 59,154	\$ 3,150	26%
Kirkland	\$213,344	\$182,061	\$31,283	\$ 267,567	\$ 234,734	\$ 32,833	25%
Medina	\$6,650	\$6,650		\$ 8,455	\$ 8,455		27%
Mercer Island	\$55,264	\$52,264	\$3,000	\$ 69,646	\$ 66,496	\$ 3,150	26%
Newcastle	\$26,918	\$23,918	\$3,000	\$ 34,255	\$ 31,105	\$ 3,150	27%
Redmond	\$156,381	\$133,451	\$22,930	\$ 199,499	\$ 175,019	\$ 24,480	28%
Sammamish	\$134,651	\$131,651	\$3,000	\$ 171,231	\$ 168,081	\$ 3,150	27%
Woodinville	\$25,207	\$25,207	\$0	\$ 33,578	\$ 33,578	\$ -	33%
Yarrow Point	\$2,447	\$2,447		\$ 3,484	\$ 3,484		42%
King County	\$125,000	\$125,000		\$ 160,957	\$ 160,957		29%
Bellevue Detail	\$ 344,457			\$ 429,021			25%
Cash Contributions	\$ 141,353			\$ 215,762			
In-Kind Contributions	\$ 203,103			\$ 213,259			
Personnel	\$ 176,123			\$ 184,930			
Insurance	\$ 15,000			\$ 15,750			
IT Services	\$ 11,980			\$ 12,579			
B. Other Income	\$ 156,300			\$ 187,205			20%
Homeownership Program Fees	\$ 150,000			\$ 185,000			
Existing Administrative Fees	\$ 4,200			\$ -			
Interest Earned	\$ 2,100			\$ 2,205			
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, including any agreement by an ARCH member to fund work under section 13 of the ARCH Interlocal Agreement</i>							
A. Contingent Expenses							
Replenish operating reserves	\$ -			\$ 100,000			
Staffing/Administrative Expenses	\$ 150,000			\$ 150,000			
Other Services/Consulting	\$ 150,000			\$ 300,000			
B. Contingent Revenue							
Excess Administrative Fees	\$ 150,000			\$ 100,000			
Service Fees	\$ 150,000			\$ 50,000			
Grant Funding				\$ 300,000			
Board-Approved Reserves				\$ 100,000			

ARCH WORK PROGRAM: 2023

2023 Priorities

In 2023, 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
- Support analysis to show how Comprehensive Plans can accommodate the range of housing needs required in the Growth Management Act and Countywide Planning Policies
- Report on measurable goals for production and preservation of affordable housing in the ARCH region
- Facilitate and advance proposals for dedicated revenue sources for affordable housing in East King County
- Continue to expand ARCH's capacity to accomplish its broader mission
- Develop compliance tools to meet evolving program needs, and continue to provide excellent stewardship of affordable housing assets
- Develop and implement policies to reduce cost burden in affordable housing
- Seek opportunities to advance projects and programs with high potential impact and facilitate projects in the pipeline with available resources
- Develop a strategic planning process to guide the ARCH coalition into the future

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 Community 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. Engage with Enterprise Community Partners and other investors on the potential extension of the Regional Equitable Development Initiative (REDI) Fund. Complete implementation of a Bridge Financing Pilot in partnership with Microsoft.

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. Update internal policies and procedures regarding records maintenance efforts coordinated with the Administering Agency.

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 and Other Local Housing Investments

Local Housing Investments. Provide strategic policy support and administrative capacity to cities making other investments in housing, for example with fee in lieu funds, dedicated sales tax funds, pass through of state grant funds or other sources directed by individual cities. Ensure coordination with regional funding processes to maximize affordable housing outcomes.

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, the King County Regional Homelessness Authority 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 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 and Action Plans.** Assist members to prepare housing strategies to implement housing elements and create council work plans. Cities with completed or ongoing strategy and action 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, parking reductions 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, review of tenant protection regulations, 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. Utilize data methodologies consistent with the requirements of GMA and Countywide Planning Policies.

Tenant Protection Policies. Share information and help identify common policy priorities relating to tenant protections. Facilitate consideration of local regulations by ARCH members and help to encourage consistent protections for renters across the region that reduce evictions and economic displacement.

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, commercial linkage fee, 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 and Planning for GMA Housing Requirements. 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. Facilitate and encourage members to collaborate in addressing new GMA/PPP housing requirements so that the affordable and special housing needs across east King County are addressed.

Housing Diversity/Middle Housing. 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. Assist members’ efforts to utilize planning grants for middle housing analysis, policy and code development.
- 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, with a goal to enable members to advocate collectively for greater funding and policy tools at the local level to address affordable housing needs. 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 (KCRHA) / Eastside Homeless Advisory Committee (EHAC). Support Eastside collaboration 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. Promote best practices in development of housing solutions that move people out of homelessness. Coordinate allocation of resources, and work on specific initiatives.

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. Enter into agreements to provide services to other cities, as directed by the ARCH Executive Board.

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, MFTE.
Issaquah	Development agreements, voluntary and inclusionary programs, impact and permit fee waivers.
Kenmore	Development agreements, voluntary and inclusionary programs, 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).

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

Work with the Washington State Housing Finance Commission to evaluate the ARCH Eastside Down Payment Assistance Program and make updates to provide effective financial assistance to income-eligible first time homebuyers in East King County.

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. Develop a new Trust Fund project and loan database to assist with timely loan monitoring and reporting. Update information systems to ensure accurate, efficient recording of transactions within ARCH Trust Fund accounts.

IV. EDUCATION AND OUTREACH

A. Housing 101/Education Efforts

Housing 101. Develop educational tools and conduct or support events to inform councils, planning commissions, 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.

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

Office Hours. As government organizations and businesses navigate the ongoing COVID-19 pandemic, provide published office hours, consistent with public health guidelines, for appointments or walk-in customer service. Open office hours will be advertised on the ARCH website and ARCH Facebook page and shared with partner organizations.

ARCH Website. Continually update and build on information in the ARCH website. Maintain information on the most urgently needed resources in the community, including rental assistance, no-cost legal services, mortgage assistance, and senior resources available in East King County.

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. Evaluate strategies and outreach goals 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 and work program progress reports, Trust Fund reports, and monitor expenses to stay within budget.
- Manage the ARCH Community 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 2023, ARCH will conduct a strategic planning process that will identify any significant structural or other organizational changes needed to advance ARCH'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 recommendations in the Wilburton neighborhood plan, Comprehensive Plan Periodic Update, and density incentives in the Land Use Code, including C-1 and Phase 2.
- Participate in developer selection processes and develop funding strategy for affordable housing on suitable public lands in proximity to transit hubs including 130th TOD parcels.

Provide 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 city's effort to update Housing Needs Assessment, including coordination on scope/methodology, and potentially provide supplemental data.

Assist the city with implementation of affordable housing agreements at the TOD project adjacent to Sound Transit's Operations and Maintenance Facility East (OMFE).

Assist the city with process to identify Affordable Housing "Next Right Work" through participation in facilitated work sessions.

Bothell

Support actions to implement the city's Housing Strategy Plan.

Support affordable housing opportunities, especially in the Downtown/Canyon Park areas, such as any proposals for affordable housing on the P-South property or other city-owned property.

Help to identify potential Bothell Trust Fund projects.

Evaluate affordable housing incentives and requirements such as parking reductions or other development incentives, code amendments that add capacity and rezones, 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.

Help pursue funding and implement further outreach, equity and implementation measures to encourage more middle housing and address potential displacement.

Issaquah

Assist with preparing the annual Affordable Housing Report Card/Analysis.

Assist with implementation of Strategies 6, 7 and 8 of the Housing Strategy Work Plan expanding inclusionary zoning, increasing missing middle as permitted uses, and removing barriers to the construction of condominiums.

Present Housing 101 to the Planning Policy Commission in late 2022/early 2023.

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 new affordable housing targets.

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 properties, 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, and incentivizing family-sized housing units.

Assist with scoping and stakeholder discussions of a potential affordable housing levy.

Assist with implementing programs to encourage construction of more ADUs.

Evaluate housing-related issues in 2024 Comprehensive Plan Update.

Help review the effectiveness and value of the current MFTE program.

Assist with development of the City's Housing Dashboard and ongoing implementation and monitoring of the adopted Affordable Housing Targets.

Assist the City in its potential expansion of the inclusionary zoning program through new incentives for areas like downtown that don't have a requirement and expanded incentives for more affordable housing in other areas of the City.

Assist the City with its reevaluation of parking standards as they relate to affordable housing.

Mercer Island

Assist the City with understanding and synthesizing the Housing Needs Analysis findings with housing-related requirements under the Countywide Planning Policies and the Growth Management Act.

Provide input and assistance in the development of updated housing goals and policies for the City's Comprehensive Plan periodic 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.

Work with City staff and the City's consultant to provide guidance in the development of the City's Housing Action Plan.

Assist with compliance with new requirements under HB 1220.

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 housing options.

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.

Partner with King County to preserve affordable homes with expiring covenants in unincorporated areas.

Help advance the King County Regional Affordable Housing Task Force Action Plan.

CITY OF MEDINA, WASHINGTON

RESOLUTION NO. 431

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 the Amended and Restated Interlocal Agreement for ARCH; and

WHEREAS, the City Council desires to use \$27,476 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, DOES RESOLVE 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 Ardea at Totem Lake, Habitat Bellevue Homes, Kenmore Supportive Housing, Kirkland Heights, The Landing Shelter, Inclusion Scattered Homes, Spring District Transit-Oriented Development and Totem Six-Plex, in a combined total amount not to exceed \$27,476.

Section 2. 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 January 12, 2023, a copy of which is attached hereto as **Exhibit A**.

ATTACHMENT 2

PASSED BY THE CITY COUNCIL OF THE CITY OF MEDINA ON THE 10TH DAY OF APRIL 2023 AND SIGNED IN AUTHENTICATION OF ITS PASSAGE THE 10TH DAY OF APRIL 2023.

Jessica Rossman, Mayor

Approved as to form:

Attest:

Scott Missall, City Attorney
Ogden Murphy Wallace, PLLC

Aimee Kellerman, CMC, City Clerk



EXHIBIT A A Regional Coalition for Housing

Celebrating 30 years of bringing cities together to house East King County

Together Center Campus
16307 NE 83rd St, Suite 201
Redmond, WA 98052
(425) 861-3677

MEMORANDUM

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

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

FROM: Kurt Triplett, Chair, ARCH Executive Board

DATE: January 12, 2023

RE: Fall 2022 Housing Trust Fund (HTF) Recommendation

As we mark ARCH’s 30th anniversary, I am pleased to transmit this year’s recommendations for the ARCH Housing Trust Fund. The 2022 funding round was the largest in ARCH’s history, with requests from eight projects proposing an impressive **819 units of affordable housing and 26 emergency shelter beds***.

After careful deliberation, the ARCH Executive Board concurred with the recommendations of the ARCH Community Advisory Board (CAB) and is recommending **funding totaling \$7,645,900**, which provides full funding for four projects and partial funding for three projects. These recommendations advance an incredible set of projects that will meet diverse needs throughout the region, including:

- Supportive housing for formerly homeless seniors, veterans and people with disabilities;
- Homeownership housing that will help families build equity;
- Preservation of existing affordable housing for large families;
- Affordable senior independent living;
- Transit-oriented development for families and individuals adjacent to future light rail;
- Emergency shelter for youth and young adults in East King County*; and
- Affordable housing for individuals with intellectual and developmental disabilities

In the last three decades, the ARCH Trust Fund has supported over 5,300 units of affordable housing and shelter beds, creating housing for thousands of families and individuals with limited opportunities to live in our community. The Trust Fund has also leveraged local resources over 10:1, bringing in \$1 billion in other investments to East King County, and this year is no exception, with proposed projects expected to **leverage over \$460 million in other funding.**

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

ARCH Trust Fund Exec Board Memo

December 2022

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A summary of recommended projects is shown in the table below:

Project Applicant	City	Units/ Beds	ARCH Request	Executive Board Recommendation
Ardea <i>TWG/Imagine Housing</i>	Kirkland	170	\$1,400,000	\$1,400,000
Bellevue Homes <i>Habitat for Humanity</i>	Bellevue	25	\$600,000	\$600,000
Kenmore Supportive Housing <i>Plymouth Housing</i>	Kenmore	100	\$3,279,700	\$3,279,700
Kirkland Heights <i>King County Housing Authority</i>	Kirkland	276	\$2,000,000	\$1,566,200
The Landing Shelter* <i>Friends of Youth</i>	Kirkland	26	\$650,000*	See Below*
Scattered Homes (Supported Living Home / OHS Home) <i>Alpha Supportive Living</i>	TBD-Bothell Kenmore Woodinville	7	\$400,000	\$400,000
Spring District 120 th St. TOD <i>BRIDGE</i>	Bellevue	235	\$4,000,000	\$350,000
Totem Six-Plex <i>Attain Housing</i>	Kirkland	6	\$750,000	\$50,000
Total		819	\$13,079,700	\$7,645,900

***Note: Friends of Youth was able to obtain other grant funds and withdraw its application to ARCH. The ARCH Executive Board remains in strong support of the project.**

These investments couldn't come at a more urgent time, as inflation and rising rents continue to threaten the housing stability of households with low and moderate incomes. While ARCH did not have sufficient funding to fully fund all proposed projects, these awards will make a major difference in the community and help create momentum towards meaningful production of affordable homes. The increased demand for the Trust Fund program also demonstrates ARCH's success in strengthening and expanding relationships with a range of development partners. We know these partnerships are critical to creating the affordable homes that will provide economic relief and stability for current and future generations in our community.

Below is a more detailed 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. TWG and Imagine Housing – Ardea at Totem Lake

Funding Request: \$1,400,000 (Contingent Loan)
170 affordable rental units (including 1 manager unit)

Executive Board Recommendation: Up to \$1,400,000 (Contingent Loan)
See attached Proposed Funding Sources for distribution of City Funds

Project Summary:

The Ardea project consists of 170 units of affordable housing for seniors age 62 and older at 40%, 50% and 60% AMI, including an estimated 45 units for senior veterans. The project will include 91 studios and 79 1-bedrooms units. All of the units will be within one building with seven residential levels over a one-level parking garage partially below grade with 36 parking stalls. TWG, a national for-profit affordable housing developer, will be the lead developer with Imagine Housing acting as non-profit sponsor/ownership partner and service provider.

The project will provide major right-of-way pedestrian improvements intended to connect the unimproved section of 116th Ave NE along the property with the Totem Lake Business District major pedestrian loop. The project will replace and improve the existing sidewalk with street trees and pedestrian lighting to complete the improved pedestrian corridor along 116th Ave NE.

Funding Rationale:

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

- The project will meet several local housing strategies within the City of Kirkland and provide a large amount of senior affordable housing units in a much-needed area of East King County.
- The project will complete an important missing section of pedestrian and right of way improvements connecting the Totem Lake Business District.
- This project leverages significant funding from other public and private sources.
- The project aims to bring together the efficiencies of a vertically integrated developer with the perspectives and connections of a local community-based nonprofit with deep roots in East King County.

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. At that time, the applicant will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider up to a 12-month extension only based on documented, meaningful progress in bringing the project to readiness or completion. At a minimum,

the applicant must demonstrate that all capital funding has been secured or is likely to be secured within a reasonable timeframe.

2. Funds shall be used by the Agency towards **construction costs**. 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 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 **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 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 55 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	Studio	1 BR	Total
40%	17	17	34
50%	47	38	85
60%	27	24	51
Total	91	79	170

7. The final loan amount shall be up to \$1.4 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. Agency must submit for ARCH staff approval a management and services plan which includes coordination of services with outside providers and parking management.
9. **Agency shall identify and assist residents with alternative transportation options such as car sharing programs and/or shuttle services, bicycle facilities, and robust pedestrian access.**
10. **Agency shall include in its quarterly monitoring reports the following information:**
 - a. **Updates on tenant relations and engagement in existing ARCH-funded projects**

- b. Updates on Agency property and asset management capacity and oversight**
- c. Updates on work necessary to preserve current wetland buffer approvals**

11. Agency must demonstrate its commitment to retaining/providing Energy Star Appliances in every unit.

2. Habitat for Humanity of Seattle-King County – Bellevue Homes

Funding Request: \$600,000 (Secured Grant)
25 affordable homeownership units

Executive Board Recommendation: Up to \$600,000 (Secured Grant)
See attached Proposed Funding Sources for distribution of City Funds

Project Summary:

Habitat for Humanity Seattle-King County proposes creating 25 permanently affordable 3-bedroom, 1.5 bath townhomes and a new 3,500 SF community center in the Factoria neighborhood of Bellevue, WA. This 3.13-acre site is to be purchased from the Holy Cross Lutheran Church of Bellevue.

The proposed population for the development is 4-5 person families with incomes up to 60% AMI and 80% AMI. The homeownership structure uses a land trust model to ensure permanent affordability of each unit. Under the model, HFHSC retains ownership of the land, which is leased to individual homeowners, and a right of first option to purchase the home upon resale. Habitat requires homebuyers to put in 250 hours of self-help labor to help construct their own units as well as their neighbors' units. This "sweat equity" model, combined with the modest appreciation within the land trust structure, provides low-income households the opportunity to build wealth through homeownership while securing safe, affordable housing.

The project addresses a local priority to the City of Bellevue's Affordable Housing Strategy by creating more affordable housing stock for low-income households, including through developing on land owned by faith-based groups.

Funding Rationale:

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

- The project would create additional units of homes for purchase in a very high-cost area with median home prices that exceed \$1 million. Such opportunities are quite rare and allow households with modest incomes to achieve stability and wealth building through homeownership.
- The project takes advantage of new City policies that encourage additional density and affordable housing on property owned by faith communities, helping to advance the City's overall Affordable Housing Strategy.
- The project preserves existing community assets that will create benefits for residents and the broader community.

- Habitat’s sweat equity model allows volunteers and potential buyers to gain valuable skills and experience in homebuilding, while allowing for cost savings when compared to traditional construction. Also, keeping the units and land in a land trust ensures perpetual affordability, which is especially important in a high cost, high growth city like Bellevue.
- Habitat’s approach to marketing helps to address historic barriers to home ownership and preserve cultural diversity in the community.

Proposed Conditions:

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

Special Conditions:

1. The funding commitment continues 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 based on 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 timeframe.
2. Funds shall be used by Agency toward **acquisition costs**. Funds may not be used for another purpose without prior written authorization from ARCH. If, after project completion project, there are budget line items with unexpended balances, ARCH and other public funders shall approve adjustments to the project capital sources, including potential reductions in public fund loan balances.
3. Funds will be in the form of a **secured grant**, so long as affordability and target population are maintained.
4. The Net Developer Fee shall be established when the Contract Budget is finalized 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 the project is placed in service.
5. A covenant shall be recorded ensuring affordability for at least **55 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.

Affordability	3 BR	Total
60%	10	10
80%	15	15
Total	25	25

- 6. Agency shall include the following in its quarterly reports:
 - a. Update on mortgage interest rate projections and contingency plans to address rates in the present inflationary environment.
 - b. Update on neighborhood engagement and efforts to inform the surrounding community about the project.

- 7. Agency shall provide for ARCH review and approval any draft agreements memorializing roles and responsibilities for management and use of shared spaces, including the community center, open space elements, and shared parking. Agency shall ensure that homeowners are not responsible for maintenance of non-residential spaces intended primarily to benefit other parties or the broader community.

- 8. Agency shall affirmatively market the project to further fair housing (as described in the funding application), and commit to measures that ensure all households may enjoy residency regardless of religious affiliation, and protect against religious discrimination in the sale of homes and operation of the development.

3. Plymouth Housing – Kenmore PSH

Funding Request: \$3,279,729 (Deferred Loan)
100 affordable rental units (including 1 manager unit)

Executive Board Recommendation: Up to \$3,279,700 (Deferred Loan)
See attached Proposed Funding Sources for distribution of City Funds

Project Summary:

The proposed project is the new construction of 100 affordable housing units for seniors, veterans, formerly homeless, and disabled individuals. All of the units will serve formerly homeless residents earning up to 30% of area median income. The project will be located on a city-owned site on Bothell Way in Downtown Kenmore with good proximity to amenities and transportation. The project location is ideal for a building that serves seniors and single individuals.

The project includes a mix of studios and one-bedroom units (25 one-bedroom and 75 studio) as well as resident amenity space, including a community room, community kitchen, on-site medical and behavioral health space, offices for case managers and property staff, and a front desk. The project will also include commercial space on the ground floor that will provide a benefit to the community through a partnership with Kenmore-based Bastyr University.

This project was made possible through the efforts of the City of Kenmore, which committed approximately \$3.2M in ARPA funding and offered a \$1.89 million City-owned property through an RFP dedicated to affordable housing. The ARCH Executive Board also approved a preliminary reservation of unused 2021 Housing Trust Fund resources to the development of this project. The winning project and funding recommendation was then reviewed and affirmed by ARCH’s Community Advisory Board.

Due to construction market conditions, and incorporation of commercial prevailing wages into the construction budget (to accommodate federal resources committed to the project), the budget experienced an increase in construction costs that increased the remaining funding gap. To help fill this gap, Plymouth requested additional funds from ARCH in the fall round, and submitted applications to other funding sources to complete the project financing.

Funding Rationale:

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

- Aligns with the City's RFP goals and would further the City of Kenmore #1 priority to build affordable housing:
 - Exceeded the City's goal of providing 20% of the units at 30% AMI.
 - Utilizes project site efficiently allowing for 100 units of affordable housing.
 - Meets the City's requirement of a cost-efficient design.
 - Commits significant agency resources toward development of a ground floor that will benefit the community
 - Envisions a welcoming design that enhances and creates a gateway to Downtown Kenmore
- Will provide critically needed, deeply affordable units at 30% AMI.
- Meets ARCH's long-term objective of investing in affordable housing across member jurisdictions.
- Serves a range of special needs populations (homeless individuals, seniors, veterans and persons with disabilities)
- Will allow a dependable, long standing non-profit housing and service provider to expand services into Kenmore.
- Will be highly competitive for Low Income Housing Tax Credits and State Housing Trust Fund resources, providing significant financial leverage of local 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 shall continue for **eighteen (18) 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 based on 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 timeframe.
2. Funds shall be used by Agency toward **reserves, 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**, 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 **55 years**, with unit 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	studio	1-bedroom	Total
30%	75	25	100
Total	75	25	100

6. Based on the availability of adequate support services, the project will contain 100 units for formerly homeless residents, unless otherwise approved by ARCH. Plymouth will work with service providers and other agencies working in East King County to establish referral mechanisms, or other referral method as approved by ARCH, and shall aim to include seniors, veterans, and persons with disabilities.
7. ARCH shall review and approve the services budget and services plan for consistency with application.
8. **The Agency will establish a services reserve account in the amount of no less than \$500,000 to be used in the event of shortfalls in project income to pay for necessary services expenses. A services reserve budget must be approved by ARCH at the close of permanent financing and will be monitored for consistency with the services plan, ARCH will review**
9. **If service funding decreases at any point during the term of the contract, Agency shall submit for review and approval a service plan which provides continuity of services within the project.**

4. King County Housing Authority – Kirkland Heights

Funding Request: \$2,000,000 (Contingent Loan)
276 Affordable Units (including 3 manager units)

Executive Board Recommendation: Up to \$1,566,200 (Contingent loan)
Includes \$1,056,300 local funds, \$509,900 CDBG funds

See attached Proposed Funding Sources for distribution of City Funds

Project Summary:

The Kirkland Heights Apartments is a 180-unit apartment complex located in Northeast Kirkland near the Totem Lake neighborhood. This proposal's scope includes the rehabilitation of all existing residential buildings, addition of a third story to eleven of the existing buildings, and the new construction of two three-story residential buildings and one community building. Upon project completion, the complex will consist of 276 units, thus utilizing more of the site's allowed density.

The project will include 103 units affordable for households at 30% AMI, 52 units at 60% AMI and 114 units at 80% AMI. This structure takes advantage of the available Project-based Section 8 rental assistance, which is targeted to the 106 units at 30% AMI, while allowing existing residents with incomes between 60% and 80% AMI to remain at Kirkland Heights.

KCHA is proposing \$24.2 million in public funds while contributing a significant (\$36.1 million) subordinate loan. King County has awarded \$11.2 million in funds for the project, and \$10 million is proposed from the State (of which \$5 million would fund the rehab project, and \$5 million would fund the new construction portion). In addition, as a Public Housing Authority (PHA), KCHA can issue tax exempt debt. At the time of application, 50% (\$110 million) of the total sources have been committed/secured.

Funding Rationale:

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

- The project preserves and enhances housing for a large number of existing low- and moderate-income residents in the community, including many families with children.
- The project also adds a significant number of units affordable to very low-, low- and moderate-income households within a high-opportunity area near good jobs, various transportation options, and other public and private amenities.
- KCHA has taken advantage of income averaging, thus allowing the feasible incorporation of 106 units targeted to very low-income households. Those units are supported with Project-based Section 8 Rental Assistance under a HAP Contract signed in 2020.
- This project leverages significant funding from public and private sources, 50% of which are already committed/secured.
- The project is undertaken by an experienced agency that has prioritized the project to start construction as soon as possible.

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 **eighteen (18) 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 applicant will provide

a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider up to a 12-month extension only based on documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant must demonstrate that all capital funding has been secured or is likely to be secured within a reasonable timeframe.

2. Funds shall be used by the Agency for **soft costs, acquisition costs, and construction costs**. In the event any portion of the funding award is reserved for construction contingency, that portion must be approved in advance by ARCH staff. Funds may not be used for another purpose without prior written authorization from ARCH. If, after project completion project, there are budget line items with unexpended balances, ARCH and other public funders shall approve adjustments to the project capital sources, including potential reductions in public fund loan balances.
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, including the sponsor subordinate loan and available cash flow. Final loan terms shall be determined prior to release of funds and must be approved by ARCH staff. **Based on the preliminary development budget, it is anticipated that loan payments will be based on a set repayment schedule and begin after repayment of the deferred developer fee (approximately year 12), with 1% interest.** The terms will also include a provision for the Agency to defer payment if certain conditions are met (e.g., low cash flow due to unexpected costs). Any requested deferment of a 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.
4. KCHA will provide a sponsor subordinate loan in the approximate amount of **\$36.1 million**. The final amount and terms of repayment will be finalized at the time of review and approval of the contingency portion of the funding commitment. Terms are anticipated to account for available cash flow and repayment of the ARCH loan.
5. Until such time as the deferred developer fee is fully repaid, all cash flow after payment of operating expenses and debt service shall be used to repay the deferred developer fee or project reserves as approved by ARCH staff.
6. A covenant is recorded ensuring affordability for at least 55 years, with affordability as shown in the following table. Limited changes to the matrix may be considered based on reasonable justification as approved by ARCH staff.

Affordability	1 BR	2 BR	3 BR	4 BR	Total
30%		56	43	7	106
60%	4	23	22	4	53
80%	8	48	48	10	114
Total	12	127	113	21	273

7. **Agency shall provide remaining findings after the completion of Building 8 test case. If those findings impact the project’s development budget or project timeline, those updates will be shared with ARCH.**

There has been an ongoing demand for Supported Living services from individuals with IDD living with their parents or from an institutional setting. Alpha continually receives referrals but lacks access to affordable housing to place individuals. Currently, there are 87 open and funded “slots” for clients with IDD to move into Supported Living in Washington State, plus 68 additional funded “slots” that will be added over the next 12 months from legislative appropriations.

Funding Rationale:

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

- The project will provide much needed IDD housing in King County people with very low incomes below 30% AMI.
- This project leverages significant investments from public sources including State capital funds as well as ongoing rental subsidies and service funding that will ensure stable operations over time.
- The project is undertaken by an agency with recent success creating new IDD housing and a strong reputation for meeting the needs of individuals who would otherwise not be successful in many other types of housing.

Proposed Conditions:

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

Special Conditions:

1. The funding commitment continue for **eighteen (18) 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 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 based on 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 timeframe.
2. Funds shall be used by Agency toward **acquisition**. 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 **secured grant**, 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 **55 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%	7	7
Total	7	7

- 6. ARCH shall review and approve the services budget and services plan for consistency with application. 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.
- 7. **Agency shall provide to ARCH for review a Capital Needs Assessment for all homes for ARCH’s approval.**

6. BRIDGE Housing – Spring District TOD

Funding Request: \$4,000,000 (Contingent Loan)
235 Affordable Units (including 2 manager units)

Executive Board Recommendation: Up to \$350,000 (Contingent Loan)
See attached Proposed Funding Sources for distribution of City Funds

Project Summary:

In October 2020, Sound Transit selected BRIDGE and its partners, Essex and Touchstone, to master plan and develop a 6.9-acre site adjacent to the agency’s Operations and Maintenance Facility in the Spring District of Bellevue. Together, the project partners plan to deliver a mixed-use, mixed-income transit-oriented development that offers direct connections to a new transit station and a regional multi-modal trail corridor.

The proposed affordable housing project is comprised of Building 6 and Building 3, which consist of 235 permanently affordable units at 50%-60% AMI including two manager’s apartments. Unit mixes will consist of 71 studios, 101 one-bedroom units, 37 two-bedroom units, and 24 three-bedroom units. The current proposal was prepared in response to a 2019 RFP that originally contained up to \$10 million in committed funding from King County and \$4 million from ARCH. At the time, BRIDGE believed the project would be feasible without those funds, but in subsequent years high-cost inflation has created a large financing gap in the project.

The project is currently projecting a large gap in public financing, but is not expected to get underway with construction until late 2024. Therefore, the project may be able to re-apply for funding in ARCH’s 2023 funding round.

Funding Rationale:

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

- The project will provide a large amount of low- and moderate-income affordable housing units in a strategic location close to jobs, transportation and amenities.
- This project leverages significant investments from public and private funding sources, including King County TOD funds which are specifically set aside for the Bel-Red corridor, Amazon's Housing Equity Fund and the Evergreen Impact Housing Fund.
- The project takes advantage of surplus public property provided at no cost by Sound Transit and City of Bellevue.
- The project design incorporates cost and sustainability considerations such as reduced parking.
- The project advances key objectives in the City of Bellevue's Affordable Housing Strategy.

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 **twenty-four (24) 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 applicant will provide a status report on progress to date and expected schedule for start of construction and project completion. ARCH staff will consider up to a 12-month extension only based on documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant must demonstrate that all capital funding has been secured or is likely to be secured within a reasonable timeframe.
2. Funds shall be used by the Agency towards **soft costs 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 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 **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 **55 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	Studio	1 BR	2BR	3BR	Total
50%	21	30	11	8	70
60%	50	71	26	16	163
Total	71	101	37	24	233

- 7. **Agency must submit for ARCH staff approval a management and services plan which includes coordination of services with outside providers for special populations.**
- 8. **Agency shall ensure that all measures have been taken to provide durable, high quality and sustainable constructions materials, and Energy Star appliances within the project.**
- 9. **Agency shall identify and take steps to connect residents with affordable, healthy food options, and commit to pursuing the removal of any restrictions within the broader master development that prevent the operation of grocery stores.**
- 10. **Agency shall submit a parking management and shared parking plan and shall pursue opportunities to make additional parking options available to residents who require vehicle parking.**
- 11. **In the interest of encouraging integration of residents across the development site, the Agency shall look for ways to incorporate shared amenities, unifying aesthetics, and other programmatic features to build community.**

7. Attain Housing – Totem Six Plex

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

Executive Board Recommendation: Up to \$50,000 (Technical Assistance Grant)
See attached Proposed Funding Sources for distribution of City Funds

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 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 supports the concept of the Attain Housing proposal but does not recommend fully funding the project at this time. The Executive Board supports technical assistance funding for this project in an effort to address outstanding project issues, and encourages the project to apply for funding during the 2023 ARCH Housing Trust Fund round. This would provide an opportunity for Attain Housing to address the issues identified below:

- Further development of building design, permitting, siting and parking and conformance with zoning requirements.
- Allow the project to obtain funding commitments of other public funding sources and make progress on the needed capital campaign.
- Secure 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.
- Development of an updated development budget and operating budget which addresses increases in construction costs based on an 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.

Proposed Conditions for Technical Assistance Award:

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. At that time, the Agency will provide 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 based on 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 timeframe.
2. Funds shall be used by Agency toward **development consultant and design development**. 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 **grant** for eligible predevelopment expenses.

Standard Conditions (Apply to all projects):

1. 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.
2. Agency shall submit evidence of funding commitments from all proposed sources. In the event commitment of funds identified in the application cannot be secured in 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.
3. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to the following: contractor solicitation, bidding, and selection; wage rates; and Endangered Species Act (ESA) requirements. CDBG funds may not be used to refinance acquisition costs.
4. Agency shall maintain documentation of any necessary land use approvals and permits required by the city in which the project is located.
5. Agency shall submit quarterly monitoring 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 the period of affordability.
7. The final award amount shall be up to the recommended total, subject to approval by ARCH staff based on a documented funding gap. ARCH reserves the right to reduce its total award amount based on changes to the project sources and uses, and unit mix.

Attachment 1: Proposed Funding Sources

PROJECTS RECOMMENDED FOR 2022 FUNDING

	Ardea at Totem Lake	Bellevue Homes	Kenmore PSH	Kirkland Heights	Scattered Homes	Spring District	Totem Six Plex	2022 Recommended Funds
Bellevue	475,000	203,600	1,112,800	358,400	135,700	118,700	25,000	2,429,200
Bothell	28,200	12,100	66,100	21,300	8,100	7,100		142,900
Clyde Hill	7,600	3,300	17,800	5,700	2,200	1,900		38,500
Hunts Point	1,600	700	3,700	1,200	500	400		8,100
Issaquah	65,300	28,000	153,000	49,300	18,700	16,300		330,600
Kenmore	23,400	10,000	54,900	17,700	6,700	5,900		118,600
Kirkland	386,100	165,500	904,600	291,300	110,300	96,500	25,000	1,979,300
Medina	7,400	3,200	17,300	5,600	2,100	1,800		37,400
Mercer Island	25,200	10,800	59,100	19,000	7,200	6,300		127,600
Newcastle	36,000	15,400	84,300	27,100	10,300	9,000		182,100
Redmond	261,200	111,900	611,800	197,100	74,600	65,300		1,321,900
Sammamish	49,500	21,200	115,900	37,300	14,100	12,400		250,400
Woodinville	30,600	13,100	71,700	23,100	8,700	7,700		154,900
Yarrow Point	2,900	1,200	6,700	2,200	800	700		14,500
Local Funds	1,400,000	600,000	3,279,700	1,056,300	400,000	350,000	50,000	7,136,000
CDBG				509,900				509,900
Award Totals	1,400,000	600,000	3,279,700	1,566,200	400,000	350,000	50,000	7,645,900

Attachment 2: Project Economic Summaries

Applicant: TWG and Imagine Housing
Project Name: Ardea Senior Affordable Housing
Location: 12700 116th Avenue NE, Kirkland WA
Project Description: 170 units of affordable housing for seniors 62 and older at 40%, 50% and 60% AMI

Project Sources	Amount	Status
Amazon	\$8,075,000	Committed
Amazon	\$8,075,000	Committed
ARCH	\$1,400,000	Proposed
King County	\$2,274,000	Proposed
4% LIHTC	\$28,357,114	Proposed
Perm Loan	\$15,300,000	Proposed
Deferred Developer Fee	\$3,696,674	Committed
Total Sources	\$67,177,788	

Project Uses	Amount	Per Unit	Per SF
Acquisition Costs:	\$4,805,427	\$28,267	\$36
Construction:	\$45,052,718	\$265,016	\$333
Soft Costs:	\$10,153,157	\$59,724	\$75
Pre-Development / Bridge Financing	\$440,048	\$2,589	\$3
Construction Financing	\$2,642,119	\$15,542	\$20
Permanent Financing	\$1,279,375	\$7,526	\$9
Capitalized Reserves	\$683,800	\$4,022	\$5
Other Development Costs	\$2,121,144	\$12,477	\$16
Total Uses	\$67,177,788	\$395,163	\$497

Applicant: Habitat for Humanity of Seattle-King County
Project Name: Bellevue Homes
Location: 4315 129th Place SE, Bellevue, WA 98006
Project Description: New development of 25 permanently affordable 3-bedroom, 1.5 bath townhomes and a new 3,500 SF community center for residents at 80% AMI.

Project Sources	Amount	Status
State HTF	\$900,000	Proposed
State CHIP	\$800,000	Proposed
ARCH HTF	\$600,000	Proposed
HFHSKC	\$11,540,313	Committed
Total Sources	\$13,840,313	

Project Uses	Amount	Per Home	Per SF
Acquisition Costs	\$1,020,000	\$40,800	\$37.09
Construction	\$11,360,313	\$454,413	\$413.10
Soft Costs	\$1,180,000	\$47,200	\$42.91
Other Development Costs	\$280,000	\$11,200	\$10.18
Total Uses	\$13,840,313	\$555,613	\$503.28

Applicant: Plymouth Housing
Project Name: Kenmore PSH
Location: 4315 129th Place SE, Bellevue, WA 98006
Project Description: New construction of 100 affordable housing units for formerly homeless seniors, veterans, and disabled individuals at 30% area median income with moderate service needs.

Source Name	Amount	Originally Committed	Proposed Status
Tax Credit Equity	\$25,705,200		Proposed
Housing Trust Fund	\$5,000,000		Proposed
City of Kenmore	\$400,000	\$5,090,000	Proposed
ARCH	\$279,729	\$3,000,000	Proposed
Plymouth Sponsor Loan	\$1,458,600		Committed
FHLB	\$750,000		Proposed
King County	\$1,000,000		Proposed
Plymouth Sponsor Loan	\$1,541,400		Committed
Total Sources	\$44,224,929		

Project Uses	Amount	Per Unit	Per SF
Acquisition Costs	\$1,920,000	\$19,200	\$45
Construction	\$34,123,997	\$341,240	\$804
Soft Costs	\$3,015,000	\$30,150	\$71
Construction Financing	\$794,532	\$7,945	\$19
Permanent Financing	\$315,000	\$3,150	\$7
Capitalized Reserves	\$ 1,135,000	\$11,350	\$27
Other Development Costs	\$1,380,000	\$13,800	\$33
Community Space	\$1,541,400	N/A	\$706
Total Uses	\$44,224,929	\$442,249	\$1,042

Applicant: King County Housing Authority
Project Name: Kirkland Heights
Location: 13310 NE 133rd Street, Kirkland WA 98034
Project Description: Rehab and new construction of 276 Affordable Units at 30%, 60% and 80% AMI

Project Sources	Amount	Status
4% LIHTC Equity	\$96,393,299	Proposed
Tax Exempt Bonds (Permanent)	\$52,262,366	Proposed
King County TOD	\$11,200,000	Committed
State HTF	\$10,000,000	Proposed
State CHIP	\$1,000,000	Proposed
ARCH HTF	\$2,000,000	Proposed
Sponsor Subordinate Loan	\$36,145,521	Committed
Deferred Developer Fee	\$10,911,606	Committed
Deferred Interest	\$400,000	Committed
Total Sources	\$220,312,792	

Project Uses	Amount	Per Unit	Per SF
Acquisition Costs	\$51,524,800	\$186,684	\$210.09
Construction	\$128,170,181	\$464,385	\$522.61
Soft Costs	\$31,905,619	\$115,600	\$130.09
Pre-Development / Bridge Financing	\$1,200,000	\$4,348	\$4.89
Construction Financing	\$1,825,000	\$6,612	\$7.44
Permanent Financing	\$1,594,462	\$5,777	\$6.50
Other Development Costs	\$3,627,730	\$13,144	\$14.79
Bond Related Costs of Issuance	\$465,000	\$1,685	\$1.90
Total Uses	\$220,312,792	\$798,235	\$898.31

Applicant: ALPHA/Inclusion
Project Name: Scattered Homes
Location: TBD
Project Description: Purchase and rehabilitation of two homes in East King County for IDD children and individuals.

Project Sources	OHS Home 3	Supported Living Home 4	Total
Housing Trust Fund	\$700,000	\$650,000	\$1,350,000
ARCH	\$200,000	\$200,000	\$400,000
Kuni Foundation	\$100,000	\$0	\$100,000
Inclusion Housing	\$100,000	\$100,000	\$200,000
Total Sources	\$1,100,000	\$950,000	\$2,050,000

Project Uses: Supported Living Home #4	Amount	Per SF	Per Bed
Acquisition Costs	\$812,000	\$226	\$116,000
Construction	\$96,000	\$27	\$13,714
Soft Costs	\$21,000	\$6	\$3,000
Capitalized Reserves	\$21,000	\$6	\$3,000
Total Uses	\$950,000	\$264	\$135,714
Project Uses: OHS Home #3	Amount	Per/SF	Per Bed
Acquisition Costs	\$963,000	\$268	\$137,571
Construction	\$96,000	\$27	\$13,714
Soft Costs	\$21,000	\$6	\$3,000
Capitalized Reserves	\$20,000	\$6	\$2,857
Total Uses	\$1,100,000	\$306	\$157,143

Applicant: BRIDGE Housing
Project Name: Spring District Affordable Housing Development
Location: 1601 120th Avenue NE, Bellevue WA
Project Description: New construction of Building 6 and Building 3, which consist of 235 permanently affordable units at 50%-60% AMI in the Spring District TOD site.

Project Sources	Amount	Status
4% Low Income Housing Tax Credits	\$58,501,006	Proposed
Amazon Housing Equity Fund - Loan	\$22,100,000	Proposed
Amazon Housing Equity Fund - Grant	\$3,750,000	Proposed
Evergreen Impact Housing Fund	\$15,500,000	Committed
King County TOD	\$10,000,000	Proposed
City of Bellevue	\$8,000,000	Proposed
ARCH	\$4,000,000	Proposed
BRIDGE General Partner Equity	\$4,985,350	Committed
Deferred Developer Fee	\$2,000,000	Committed
Perm Loan	\$2,987,826	Proposed
Total Sources	\$131,824,182	\$560,954

Project Uses	Amount	Per Unit	Per SF
Acquisition Costs	\$25,000	\$106	\$0.11
Construction	\$101,081,682	\$430,135	\$424.80
Soft Costs	\$15,434,392	\$65,678	\$64.86
Pre-Development / Bridge Financing	\$810,975	\$3,451	\$3.41
Construction Financing	\$9,589,624	\$40,807	\$40.30
Permanent Financing	\$580,627	\$2,471	\$2.44
Capitalized Reserves	\$611,227	\$2,601	\$2.57
Other Development Costs	\$3,690,655	\$15,705	\$15.51
Total Uses	\$131,824,182	\$560,954	\$553.99

Applicant: Attain Housing
Project Name: Totem Six Plex
Location: 12601 NE 132nd St, Kirkland
Project Description: New construction of a three-story structure with six two-bedroom units of affordable housing for homeless families earning up to 30% of area median income (AMI).

Project Sources	Amount	Status
ARCH	\$750,000	Proposed
State Housing Trust Fund	\$750,000	Proposed
King County	\$750,000	Proposed
Capital Campaign	\$1,500,000	Proposed
Attain Housing	\$250,000	Committed
Total Sources	\$4,000,000	\$666,667

Project Uses	Amount	Per Unit	Per SF
Acquisition:	\$1,500	\$250	\$.25
Construction:	\$3,393,632	\$565,605	\$566
Soft Costs:	\$526,143	\$87,691	\$88
Other Development Costs	\$78,725	\$13,1221	\$13
Total Uses	\$4,000,000	\$666,667	\$667