

A REGIONAL COALITION FOR HOUSING

QUARTERLY REPORT

FOR THE

ARCH EXECUTIVE BOARD

First Quarter 2020

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I. PROJECT ASSISTANCE

A. ARCH Housing Trust Fund

ARCH delivered presentations to member city councils on recommendations for \$5 million in funding from the Fall 2019 funding round. Most city councils approved of the recommendations, with some approvals delayed by the inability to hold public meetings starting in March.

More detailed reporting on the Housing Trust Fund is in development, pending completion of reconciliation of Trust Fund activities by ARCH and finance staff from the City of Bellevue.

Table 1. Awarded Projects in Development (Through 2018 Funding Round)

Project	Sponsor	Funding Year	Total Units/ Beds	Funds Awarded	Disbursed	Status
Women and Family Shelter	Catholic Housing Services	2017	98	\$1,679,406	\$1,504,406	<i>Construction ongoing. Estimated opening August 7, 2020; Additional \$175,000 awarded in 2019 Round for contingency</i>
Bellevue Men's Shelter	Congregations for the Homeless	2014	50	\$700,000	\$37,972	<i>Site control obtained on King County property. Funding applications submitted in September. Additional \$500,000 to bring the total beds to 100 is going through Council approvals in the first and second quarter.</i>
Men's Home	Congregations for the Homeless	2017	6	\$150,000	\$0	<i>Kirkland city-owned property identified for acquisition. Funding Agreements drafted. City of Kirkland drafting purchase agreement.</i>
Esterra Block 6B	Imagine Housing	2017	130	\$5,734,000	\$2,484,000	<i>Financing closed Nov 2019. Under construction. Includes \$4M Redmond In-lieu fees.</i>
Trailhead, Issaquah TOD	King County Housing Authority	2017	155	\$2,000,000	\$0	<i>Delays related to site control. City working on new proposed replacement site for property swap with Century Link. In December, ARCH Board approved early disbursement of funds to assist with site due diligence. Expect resolution later in 2020.</i>

Housing Trust Fund Production and Investment Activity

The following tables are generally updated through the most recent annual funding round. The below information reflects the addition or projects recommended for funding in the 2019 funding round. Note that because of funding constraints but desiring for those to move forward with other funders, several projects, notably Samma and Eastgate were recommended to receive only partial funding.

As of the end of the first quarter the 2019 round funding recommendations were approved by all but the following councils which still have to act on the recommendation: Bellevue, Medina and Mercer Island

Table 2. Cumulative Housing Trust Fund Production
(Includes new construction and preservation, and projects in development)

	Completed	In Development	Total	% of Total
Total Projects	73	10	83	
Total Affordable Units	3,206	1135	4,341	100%
30% AMI	793	276	1,069	25%
40% AMI	251	44	295	7%
50% AMI	1,076	91	1,167	27%
60% AMI	665	720	1,385	32%
80% AMI	320	0	320	7%
Other	101	4	105	2%

Note: Production counts may vary as new projects are refined in development, and existing project agreements require amendment.

Table 3. Population Targets

Population	Awarded (\$)	% Awarded	Target (\$)	Target (%)	Difference (\$)
Family	38,748,511	56.99%	38,075,986	56%	672,525
Senior	11,228,642	16.51%	12,918,638	19%	(1,689,996)
Homeless	14,294,513	21.02%	8,839,068	13%	5,455,445
Special Needs	3,721,167	5.47%	8,159,140	12%	(4,437,97)

Table 4. Leveraged Funds

	LTD	5-year average
Leverage Ratio	9.9%	8.4%
ARCH Housing Trust Fund	82,447,183	34,777,528
Leveraged Funds		
King County	79,260,431	35,270,858
State	56,214,317	16,226,500
LIHTC	268,752,860	147,957,262
Debt	187,821,080	112,650,499
Other	160,443,861	69,190,841

B. Special Initiatives

Transit-Oriented Development (TOD) Sites.

- **Bellevue.** In December, Sound Transit released a Request for Proposals for development of the Sound Transit property adjacent to the Operating and Maintenance Facility East (OMFE). Preliminary proposals were due in February. With final proposals for invited groups due in June. The RFP included the reservation of up to \$4 million from ARCH \$10 million from King County to dedicate to at least two development sites expected to be made available for affordable housing at no cost.
- **Kirkland.** WSDOT continues to work with a consultant team to serve as its transaction advisor and help develop an RFP process for transit-oriented-development at the Kingsgate Park & Ride site. The City of Kirkland is continuing to develop a zoning approach to achieve significant affordable housing on the property. ARCH has provided funding scenarios for development.
- **Kenmore.** Sound Transit is leading a joint master planning process in partnership with the City of Kenmore, King County Metro and DCHS, ARCH and private property owners to maximize TOD and transit outcomes at the future Bus Rapid Transit station and Park & Ride. Partnership carried out three charettes to advance the project.

Eastside Shelter.

- **Men's Shelter.** Congregations for the Homeless secured a development partner (Inland Group) to help meet the combination of expectations for closing on the entire property owned by King County Solid Waste in 2020 and navigating the City of Bellevue's Master Development Plan entitlement process. The Executive Board approved a recommendation of an additional \$500,000 in funding from the ARCH Housing Trust Fund to increase the project to 100 beds.
- **Women and Family Shelter.** Construction in progress. Expected opening in summer 2020. The Executive Board approved a recommendation of an additional \$175,000 from the ARCH Housing Trust Fund for construction contingency to cover unforeseen costs.

II. HOUSING POLICY PLANNING

- **Local Policy and Planning.**

Bothell

- MFTE: drafted ordinance for new program.

Kirkland

- Kingsgate park-and-ride partnership: assisted staff with preparations for Planning Commission meetings.
- Advised staff on methods and data for setting affordable housing goals.

Redmond

- Support for grant-funded housing action plan.

Woodinville

- Demographic and housing data for housing strategy.

- **Inter-local Planning Activities.**

Housing Background Information

- ARCH program data: building database of trust fund projects and funding history.

- **State Legislative Activities.**

- N/A

- **Regional/Countywide Planning Activities.**

King County GMPC Affordable Housing Committee:

- Participated in work-planning and HB 1406 recommendations of (staff-level) Housing Inter-Jurisdictional Team (HIJT).
- Participated in planning and processing data for new County dashboard.
- Collaborated with ARCH members and HIJT on data for Countywide Planning Policies (CPP) update.

Eastside Homeless Advisory Council (EHAC)

- Attended monthly EHAC meetings.

III. HOUSING PROGRAM IMPLEMENTATION

A. Monitoring Activity

Affordable Rental Housing Monitoring

ARCH staff performed the following tasks this quarter:

- Met with and provided training on compliance requirements to property management staff at six new and existing rental projects in Redmond, Newcastle, Bellevue and Kirkland.
- Grew the mailing list and marketed vacancies at new and existing projects.
- Connected to property managers to identify concerns staff had in implementing and monitoring the ARCH program. This will inform the development of a new training protocol and a web-based resource center.

ARCH Homeownership Program

ARCH staff oversaw the sale of eighteen affordable ownership homes, as shown below.

Table 1. Homeownership Program Activity

	Q1	Q2	Q3	Q4	YTD
Total Units Closed	18				
RESALES	14				
Resales sold within 60 days	9				
Resales sold to Income Qualified Buyers					
NEW SALES	4				

Number of Homes Sold by Sales Price	Q1	Q2	Q3	Q4	YTD
Total Units Closed by Sales Price	18				
Below \$300,000	1				
\$300,000 - \$350,000	4				
\$350,000 - \$400,000	7				
\$400,000 - \$450,000	0				
\$450,000 and above	6				

Number of Homes Sold by Original Affordability Level	Q1	Q2	Q3	Q4	YTD
Below 80%	0				
80%	2				
90%	5				
100%	8				
120%	3				
Total	18				

B. Program Improvements

Parking

ARCH staff convened member liaisons (planners) to resolve a growing issue where multifamily developers want to charge affordable housing tenants for parking spaces in addition to rent (exacerbated where parking is less than one space per dwelling unit.) With some consensus from the liaisons, staff is working on a parking allowance procedure.

Table 5. Quarterly Affordable Housing Activity in Land Use and MFTE Programs

48 active projects	Pipeline	Recorded	Construction	Lease-up or Sale	Occupied	Fee Units-Agreement	Fee Paid	Total Units	Last Quarter
EKC cities	260	31	263	64	102	18	-	738	723
Rental	225	28	201	60	102	18	-	634	605
Homeownership	33	3	61	4	-	-	-	101	115
Special needs	2	-	1	-	-	-	-	3	3
Bellevue	121	20	32	-	-	-	-	173	58
Rental									
606 106th	X								
888 Project			32						
Bellevue 10	102								
Brio apartments		20							
Homeownership									
FANA 305	19								
Issaquah	2	-	50	-	-	-	-	52	65
Homeownership									
Forest Heights			1						
Westridge townhomes & flats			48						
Special needs									
Compassion House II	2								
Westridge group home			1						
Kenmore	13	-	-	-	-	-	-	13	13
Rental									
Northlake apartments	X								
Kenmore Station	12								
Kenmore Urban	12								
Solmax Lofts apartments	13								
Homeownership									
Meridian Townhomes	1								
Kirkland	31	9	98	2	42	18	1	200	181
Rental									
434 Kirkland Broadway	17								
Jefferson House memory care		8							
Kirkland Urban phase 1					19				
Kirkland Urban phase 3						18			
Koh apartments	1								
Lifebridge Multifamily			41						
Lifebridge Senior indep living			15						
LMC Totem Lake apartments			34						
Plaza					23				
Homeownership									
122nd Townhomes		1							
11520 NE 87th St							1		

48 active projects	Pipeline	Recorded	Construction	Lease-up or Sale	Occupied	Fee Units-Agreement	Fee Paid	Total Units	Last Quarter
1313 Market St			1						
Jade condominiums	13								
Kirkland Villas townhomes			2						
The Walk III townhomes				2					
Vareze townhomes			5						
Newcastle	-	-	15	8	-	-	-	23	23
Rental									
Newcastle Commons 4 & 6			15						
The Notch				8					
Redmond	69	2	68	54	60	-	-	253	278
Rental									
Alexan Central Park			18						
Aria Flats			10						
Bear Creek Mixed-Use			36						
Blackbird				15					
Edge				10					
Lincoln Esterra Park					60				
LMC Marymoor	45								
Modera Redmond				14					
Modera River Trail	11								
Modera Overlake	13								
The Talisman				13					
Homeownership									
85th Central townhomes			1						
Greystone Manor phase 4			2						
Kensington Lane			1						
Marymoor Vistas				2					
Rose Hill East		2							

Table 6. Cumulative Affordable Units Created in Land Use and MFTE Programs

	Low	Mod	>80 AMI	Grand Total
Bellevue		381	29	410
Issaquah	15	169	201	385
Kenmore	5	13	51	69
Kirkland	90	101	12	203
Mercer Island		13		13
Newcastle	12	40		52
Redmond	59	585	28	672
Sammamish		55		55
Woodinville		20		20
King County		367	351	718
Grand Total	181	1,744	672	2,597

IV. EDUCATION AND OUTREACH

A. Housing 101

Housing 101 planning was postponed to the fall of 2020 due to COVID-19.

B. Information for the Public.

- **ARCH Website.** Updated the Homeownership page of the ARCH website. Updated the mailing list periodically to portray current demographics in East King County. Created a COVID-19 resource page to the website.
- **Assist Community Members Seeking Affordable Housing.** Ongoing work to provide information through ARCH website, and in-person and email communication to assist households seeking housing assistance. The following activities were undertaken notified interested buyers monthly about affordable homes for sale. Notified the mailing list about upcoming rental opportunities. Updated the Homeownership page of the ARCH website with active listings.
- **Assisted Community Members Seeking Resources.** Due to COVID-19, staff saw an increase in calls and emails from the public needing rental and utilities assistance, this created ongoing work to provide more information through the ARCH website to assist the public during this time.

Table 1. Affordable Housing Interest

	Q1	Q2	Q3	Q4	YTD
New applications for ARCH mailing list	206				206
Ownership Interest	136				136
Both	72				72

C. Engage Communities to Increase Support and Access

ARCH staff performed the following outreach and engagement activities this quarter:

- Continued work directed by Bellevue staff on their Bellevue Diversity Advisory Network (BDAN) to find new effective ways to reach a wider network of residents living in East King County with different backgrounds.
- Worked with organizations in the community such as, Hopelink, Catholic Community Services, Muslim Community Resource Center and many others to create a Resource Page on the ARCH website to be able to direct the public whom is seeking assistance caused from the COVID-19 pandemic.

V. ARCH OPERATIONS

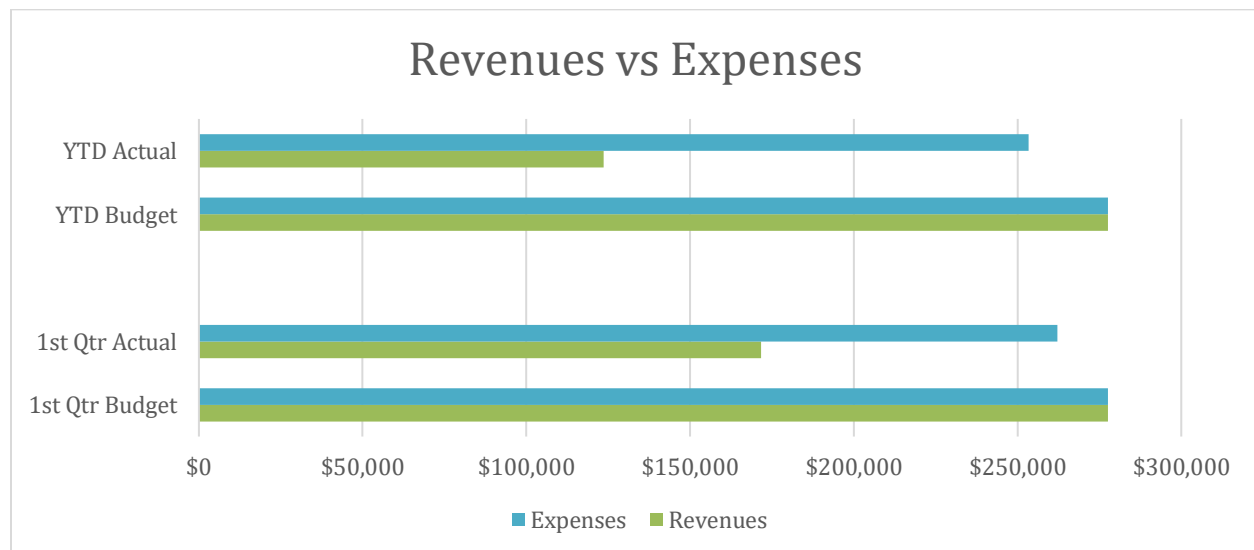
1. ARCH Operating Fund

Revenues were less than budgeted in the first quarter of 2020, as some ARCH member city councils did not complete their final budget approvals until the second quarter. Expenses were also slightly less than budgeted.

Additional details on revenues and expenses are shown in Tables 2 and 3 below. Details on approved reserve expenditures are shown in Table 4.

Table 1: Summary of Revenues and Expenses

	1st Qtr Budget	1st Qtr Actual	Difference	YTD Budget	YTD Actual	Difference	% Actual to Budget YTD
Beginning Cash Balance	\$370,891	\$370,891	\$0	\$370,891	\$370,891	\$0	
Revenues	\$277,524	\$171,669	(\$105,855)	\$277,524	\$123,510	(\$105,855)	45%
Expenses	\$277,524	\$262,221	(\$15,304)	\$277,524	\$253,295	(\$15,304)	91%
ENDING BALANCE	\$370,891	\$280,340	(\$90,551)	\$370,891	\$241,106	(\$129,785)	



2. Operating Revenues

Table 2: Revenue Detail

Revenue Source	1st Qtr Budget	Actual	Difference	YTD Total Budget	Actual	Difference	% Actual to Budget YTD
Beaux Arts Village	\$ 500	\$ -	\$ 500	\$ 500	\$ -	\$ 500	0%
Bellevue (cash)	\$ 21,668	\$ -	\$ 21,668	\$ 21,668	\$ -	\$ 21,668	0%
Bellevue (in kind)	\$ 48,801	\$ -	\$ 48,801	\$ 48,801	\$ -	\$ 48,801	0%
Bothell	\$ 22,346	\$ -	\$ 22,346	\$ 22,346	\$ -	\$ 22,346	0%
Clyde Hill	\$ 1,638	\$ -	\$ 1,638	\$ 1,638	\$ -	\$ 1,638	0%
Hunts Point	\$ 500	\$ -	\$ 500	\$ 500	\$ -	\$ 500	0%
Issaquah	\$ 18,061	\$ 18,061	\$ -	\$ 18,061	\$ 18,061	\$ -	100%
Kenmore	\$ 11,230	\$ 11,230	\$ -	\$ 11,230	\$ 11,230	\$ -	100%
Kirkland	\$ 43,987	\$ 43,987	\$ -	\$ 43,987	\$ 43,987	\$ -	100%
Medina	\$ 1,563	\$ -	\$ 1,563	\$ 1,563	\$ -	\$ 1,563	0%
Mercer Island	\$ 12,556	\$ 12,556	\$ -	\$ 12,556	\$ 12,556	\$ -	100%
Newcastle	\$ 5,752	\$ -	\$ 5,752	\$ 5,752	\$ -	\$ 5,752	0%
Redmond	\$ 30,776	\$ 30,776	\$ -	\$ 30,776	\$ 30,776	\$ -	100%
Sammamish	\$ 31,874	\$ -	\$ 31,874	\$ 31,874	\$ -	\$ 31,874	0%
Woodinville	\$ 5,918	\$ 5,918	\$ -	\$ 5,918	\$ 5,918	\$ -	100%
Yarrow Point	\$ 600	\$ -	\$ 600	\$ 600	\$ -	\$ 600	0%
King County	\$ 18,750	\$ -	\$ 18,750	\$ 18,750	\$ -	\$ 18,750	0%
Interest*	\$ 500	\$ 582	\$ (82)	\$ 500	\$ 582	\$ (82)	116%
Admin Fees**	\$ 1,050	\$ 400	\$ 650	\$ 1,050	\$ 400	\$ 650	38%
TOTAL	\$ 277,524	\$123,510	\$ 54,015	\$278,069	\$123,510	\$154,559	44%

*Interest Income includes interest earnings on ARCH's operating funds.

**Other Income includes administrative fees collected from Redmond Ridge East MPD development.

3. Operating Expenses

Table 3: Operating Expense Detail

Expenses	1st Qtr Budget	1st Qtr Actual	Difference	YTD Budget	YTD Actual	Difference	% Actual to Budget YTD
Personnel	\$250,850	\$237,151	\$13,698	\$250,850	\$237,151	\$13,698	95%
Rent	\$6,195	\$7,881	(\$1,686)	\$6,195	\$7,881	(\$1,686)	127%
Other Operating Expenses	\$10,604	\$8,263	\$2,341	\$10,604	\$8,263	\$2,341	78%
In-Kind Services	\$4,876	\$4,876	\$0	\$4,876	\$4,876	\$0	100%
Consulting Services	\$5,000	\$4,050	\$950	\$5,000	\$4,050	\$950	81%
Total	\$267,649	\$253,295	\$14,354	\$267,649	\$253,295	\$14,354	95%

4. Reserve Fund Expenditures and Special Project Grants

Since 1992, the ARCH operating fund balance has accumulated through budget savings and private contributions to ARCH. In November 2013, the Executive Board updated its policy on the use of these funds. Key provisions include: maintain an administrative reserve equal to 33% of ARCH's annual administrative budget; any balance in the ARCH administration account in excess of that set aside for the Administrative Reserve shall be available for funding unique opportunities and needs; and the policy is to be evaluated every two years.

The following tables summarize the status of cash reserves, active commitments, and remaining available. As pointed out in the 2019 yearend report, due to the increase in ARCH's operating budget in 2020, the administrative reserve requirement will grow substantially. As a result, it is a high priority to replenish the operating account in 2020.

Table 4a: Available (Uncommitted) Reserve Funds	
Cash Balance (End of 1st Quarter 2020):	\$280,340
(less) Administrative Reserve (33% Admin budget)	(\$370,033)
(less) remaining projected expenses through YE 2020	(\$847,877)
(plus) remaining projected revenues through YE 2020	\$938,428
Sub-Total	\$859
(less) committed, unexpended reserve funds	(\$28,928)
Balance (Uncommitted Reserve Funds):	(\$28,070)

Table 4b: Committed Reserve Funds

Project/Program	Approved commitment	Expense Incurred through Current Quarter	Prior Period Payment	Current Quarter Payment	Repayment	Remaining commitment
ACTIVE RESERVE ACTIVITY						
Compliance Staffing and Related	\$100,000	\$71,072	\$67,022	\$4,050	N/A	\$28,928
Total	\$100,000	\$71,072	\$67,022	\$4,050	\$0	\$28,928
PRIOR RESERVE ACTIVITY CLOSED OUT						
Street Level Advisors	\$35,000	\$35,000	\$35,000	\$0	N/A	\$0