



Mayor: Katy Kinney Harris

Councilmembers: Stephan Lagerholm, Carl Scandella, Chuck Porter, Andy Valaas, Kathy Smith

Town Attorney: Emily Romanenko

Clerk-Treasurer: Bonnie Ritter

Deputy Clerk: Austen Wilcox

Meeting Participation

Members of the public may participate in person at Town Hall or by phone/online. Town Hall has limited seating available, up to 15 public members. Individuals who call in remotely who wish to speak live should register their request with the Deputy Clerk at 425-454-6994 or email depclerk@yarrowpointwa.gov and leave a message before 3:30 PM on the day of the Council meeting. Wait for the Deputy Clerk to call on you before making your comment. If you dial in via telephone, please unmute yourself by dialing *6 when it is your turn to speak. Speakers will be allotted 3 minutes for comments. Please state your name (and address if you wish.) You will be asked to stop when you reach the 3-minute limit.

Join on computer, mobile app, or phone

1-253-215-8782

Meeting ID: 889 9598 1197#

<https://us02web.zoom.us/j/88995981197>

1. **CALL TO ORDER:** Mayor Katy Kinney Harris

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:** Councilmembers Stephan Lagerholm, Carl Scandella, Chuck Porter, Andy Valaas, Kathy Smith

4. **APPROVAL OF/AMENDMENTS TO AGENDA**

5. **STAFF REPORTS (15 minutes)**

6. **APPEARANCES/PUBLIC COMMENT**

If you call in via telephone, please unmute yourself by dialing *6 when it is your turn to speak.

Comments via email may be submitted to depclerk@yarrowpointwa.gov or regular mail to: Town of Yarrow Point, 4030 95th Ave NE, Yarrow Point, WA 98004.

7. **CONSENT CALENDAR (5 minutes)**

Consists of routine items for which Council discussion is not required. A Councilmember may request that an item be moved to Regular Business for discussion. Consent items are approved with one vote.

8. **REGULAR BUSINESS (40 minutes)**

8.1 – ARCH – 2023 Budget, Work Program and Trust Fund approvals

8.2 – Sport Court: Review quotes and consider options for repair

8.3 – Fence Height Amendment

A. Ordinance 722

8.4 – HB 1220 Permanent Supportive and Transitional Housing Code Amendments

8.5 – Presentation by Councilmember Scandella on January 19 meeting of the Bellevue Chamber of Commerce: “Healthcare in Crisis”

9. MAYOR & COUNCIL REPORTS (5 minutes)

10. ADJOURNMENT

STAFF REPORTS

1. Police Reports
2. Fire-EMS Reports
3. Town Engineer Reports:
 - 2023 Stormwater Manual and Standards Update
 - 2024 94th Ave NE UGC
4. Town Planner Reports:
 - Comprehensive Plan Update
5. Commission Minutes:
 - January 17, 2023 Regular Planning Commission meeting
 - January 24, 2023 Regular Park Board meeting



MEMO

To: Yarrow Point City Council

From: Chief Kyle Kolling

Date: February 14, 2023

Re: January 2023 Summary

Greetings,

January was a light month for training:

- Regular monthly training through PoliceOne Academy continued with 2 hours of training in Ethics in Law Enforcement and Officer Safety & Wellness while Off-Duty.
- Corporal Humphreys and Officer Lyon attended training for the Active Bystandership for Law Enforcement (ABLE) Project held by the Washington State Criminal Justice Training Commission.
- Chief Kolling, Officer Jennings and Records Manager Silveira attended the first annual Tasercon Conference in Las Vegas, NV where they achieved certification and education on Body Worn Cameras. Tasercon is a week-long conference covering a variety of topics from taser training to law enforcement wellness.

Four Facebook posts were created in January, which reached over 800 people. Our page garnered over 180 engagements this month by the public (reactions, comments, and shares). In addition, the Sentinel e-newsletter continued with three editions published to almost 800 recipients. We now have 436 followers on our Instagram account. Our Twitter account now has 49 followers and growing.



City of Yarrow Point
January 2023

23-0291	01-24-2023	9400 BLK NE 26 th St	MV Prowl	Swai
Vehicle broken into overnight. No suspect information at this time. Report taken for information/documentation purposes.				
23-0317	01-26-2023	3600 BLK 92 nd Ave NE	Traffic Accident	D. Hanson
Non-injury traffic accident, both parties exchanged information without incident. Report for information/documentation purposes only.				
23-0320	01-26-2023	9400 BLK NE 40 th St	Fraud	Humphreys
Victim reported that their debit card information had been stolen and used to make fraudulent ATM withdrawals. No suspect information at this time. Report taken for information/documentation purposes.				
23-0369	01-30-2023	3200 BLK 92 nd Ave NE	Recovered Property	Fernandez
Officer contacted a vehicle with license plates that returned as stolen. Contacted the driver/owner of the vehicle who explained that the front license plate had been stolen and did not realize that the back license plate also needed to be removed. License plate was confiscated and the owner was advised they would need to apply for new plates. No crime, Report for information/documentation only.				



Town of Yarrow Point
ACTIVITY REPORT

	January 2023	December 2022	2023 YTD	2022 YTD
CRIMES AGAINST PERSONS				
Assault	0	0	0	0
Domestic Violence/Disturbance	0	0	0	0
Harassment	0	0	0	0
Order violation	0	0	0	0
Rape/sex offenses	0	0	0	0
Robbery	0	0	0	0
Other (<i>Abuse, APS, civil, CPS, custodial interference, extortion</i>)	0	0	0	0
PROPERTY CRIMES				
Burglary	0	0	0	0
Fraud	1	1	1	0
MV Prowl	0	0	0	0
MV Theft	0	0	0	0
Theft	1	0	1	2
Other (<i>Arson, illegal dumping, malicious mischief, prowler, trespass</i>)	4	0	4	1
ARRESTS				
Drug/alcohol	0	0	0	0
Warrants	0	0	0	0
Other	0	0	0	0
TRAFFIC ACTIVITY				
Criminal Traffic	0	0	0	0
Infractions	4	0	4	0
Warnings	5	3	5	6
Traffic accidents	1	0	1	0
Traffic stops	9	3	9	8
Parking	0	1	0	1
OTHER				
Alarms	0	9	0	2
Complaints				
~Animal	0	0	0	3
~Fireworks	0	0	0	0
~Noise	0	0	0	1
~Soliciting	0	0	0	0
Deaths	0	0	0	0
Suspicious	0	3	0	0
Drug/alcohol	0	0	0	0
PUBLIC SERVICES				
Other Public Services (<i>area check, assist, community policing, contacts, direct enforcement/patrol, 911 hang-ups, fire assist, follow up, on-view, order service, walk through, welfare check</i>)	10	15	10	33



Issued Ticket Report Summary
Yarrow Point
01/1/2023 through 01/31/2023

Citations - Non-Traffic	0	Location
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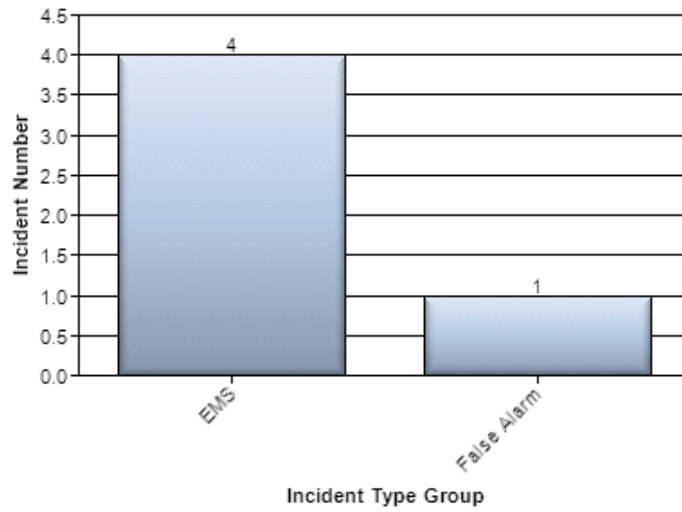
Criminal Traffic	4	Location
MV Failure To Renew Registration	2	8900Blk Points Dr NE
		9000Blk Points Dr NE
Speed 15-20 MPH Over Limit (40 or Under)	1	3800BLK 92nd Ave NE
Speed 21-25 MPH Over Limit (40 or Under)	1	8900BLK Points Dr NE

Infractions - Traffic	0	Location
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Infractions - Parking	0	Location
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Incident Date between 2023-01-01 and 2023-01-31
City equal to Yarrow Point

Incident Type Group	Incident Count
EMS	4
False Alarm	1





PROJECT STATUS REPORT

REPORT DATE	PROJECT NAME	PREPARED BY
2/14/23	2023 TYP Stormwater Manual and Standards Update	Stacia Schroeder

STATUS SUMMARY

The 2014 TYP Stormwater Drainage Guidelines are based in part on methodologies from the outdated 1992 King County Surface Water Design Manual. Since 1992 surrounding jurisdictions have adopted more recent versions of the King County Surface Water Design Manual or the Department of Ecology’s Stormwater Management Manual for Western Washington with a prepared addendum to address any specific deviations.

Additionally, the 2010 TYP Standard Plans and Notes need to be updated.

Gray & Osborne has experience updating these review and planning tools and the final product will be one that:

- Reflects current stormwater design methodologies and best management practices.
- Updates outdated TYP standard plans document to incorporate past 10+ years of changes.
- Cross references our current planning documents (ie. Yarrow Point Municipal Code, permit and inspection procedures, etc.) to verify they correspond with each other.
- Corresponds with the 2024 TYP Comprehensive Plan updates.
- Allows for easier plan review.

Town staff expects a draft of the two documents by May 15, 2023.

BUDGET OVERVIEW

CATEGORY	BUDGETED	EXPENDED	ON TRACK?	NOTES
Jan. – Jan. 2023 Town Engineer – Project Management	\$2,000	\$270.00		
Jan. – Jan. 2023 Gray & Osborne, Inc. Civil Consultant	\$19,000			<u>NOTE:</u> Gray & Osborne’s contract executed January 2023.

RISK AND ISSUE HISTORY

ISSUE	STATUS	DATE

CONCLUSIONS/NEXT STEPS



PROJECT STATUS REPORT

REPORT DATE	PROJECT NAME	PREPARED BY
2/14/23	2024 94 th Ave NE UGC	Stacia Schroeder

STATUS SUMMARY

The 2024 94th Ave NE underground conversion project limits were significantly expanded by the Yarrow Point Town Council in May 2022 due to funding received from the dissolution of Water District #1. The scope of work now includes:

- 3800 – 4700 94th Ave NE (2,320 LF)
- 9200 – 9500 NE 40th Street (800 LF)
- 9200 – 9400 NE 38th Street (320LF)

Town staff has been working on several elements of this project over the past few months including:

- Ongoing resident coordination to answer general questions and coordinate private underground conversions.
- The COB water utility is currently working on their 90% plan set, but their anticipated construction schedule has slipped to the end of 2023. They are still working on a potholing plan to identify the location of existing utilities and reduce the risk of any changes during construction.
- PSE power provided a 30% plan set on January 11, 2023, and town staff provided comments the next day.
- Coordination efforts are on-going with other purveyors (ie. PSE gas, Comcast, Lumen, etc.)
- Gray & Osborne – The kickoff meeting for civil was held on January 31, 2023. Over the next few months G&O will work on the following tasks:
 - Design stormwater capital improvement projects 2, 7, 10, and 11 from the 2020 TYP Stormwater Management Plan.
 - Design trenching and restoration plans for power, phone, cable undergrounding.
 - Assist town staff with public outreach meetings.

PROJECT OVERVIEW

TASK	% DONE	TARGET DUE DATE	LEAD	NOTES
Survey	100	March 2021	PACE/ Town Engineer	
PSE/ Comcast/ Lumen City of Bellevue Utilities Dept. Final Design	30	2022-2023	Gray & Osborne/ Town Engineer	
TYP Stormwater & Landscape Design including Bid Documents	0	2023	Gray & Osborne/ Town Engineer	
Bidding	0	Fall 2023	Gray & Osborne/ Town Engineer	
Construction	0	2024	TBD	

BUDGET OVERVIEW

CATEGORY	BUDGETED	EXPENDED	ON TRACK?	NOTES
Jan. 2021 – Mar. 2021 PACE Surveying Consultant Task Order No. 3	\$28,250	\$28,250		Completed
Total:	\$28,250	\$28,250		
May 2022 – Jan. 2023 Puget Sound Energy (Sch. 74 Design Agreement)	\$10,005	\$0		Contract Signed 06/13/22 30% Plans Rec'd: 01/10/23
Total:	\$10,005	\$0		
Jan. 2022 – Jan. 2023 Town Engineer Project Management		\$16,045.00		
Jan. 2023 – Jan. 2023 Civil Engineering Consultant Gray & Osborne, Inc.	\$110,000			CIP S-3: \$50,000 Budget CIP U-1: \$60,000 Budget Contract Date: 1/10/23 \$127,300
Total:	\$110,000	\$16,045.00		
Summer 2024 TBD (Stormwater & UGC)	TBD			CIP S-4: \$700,000 Budget CIP U-2: \$1,300,000 Budget
Summer 2024 Town Engineer Project Management	TBD			
Summer 2024 Civil Engineering Consultant Gray & Osborne, Inc.	TBD			
Total:	\$2,000,000			
Fall 2024 – King County Roads	\$500,000			CIP T-3: \$500,000 Budget
Mar. 2021 – Jan. 2023 Project Total:	\$2,648,255	\$44,295		

RISK AND ISSUE HISTORY

ISSUE	STATUS	DATE

CONCLUSIONS/NEXT STEPS



PROJECT STATUS REPORT

TOWN OF YARROW POINT

REPORT DATE	PROJECT NAME	PREPARED BY
2/14/23	Comprehensive Plan	Town Planner

STATUS SUMMARY

During the January 2023 Yarrow Point Town Council Meeting, the Council directed the Town Planner to provide regular updates on the ongoing efforts to update the Town's Comprehensive Plan. Exhibited with this agenda bill is the monthly report from the Town Planner's Project Management software, which provides a high-level overview of the past month of work and the month to come.

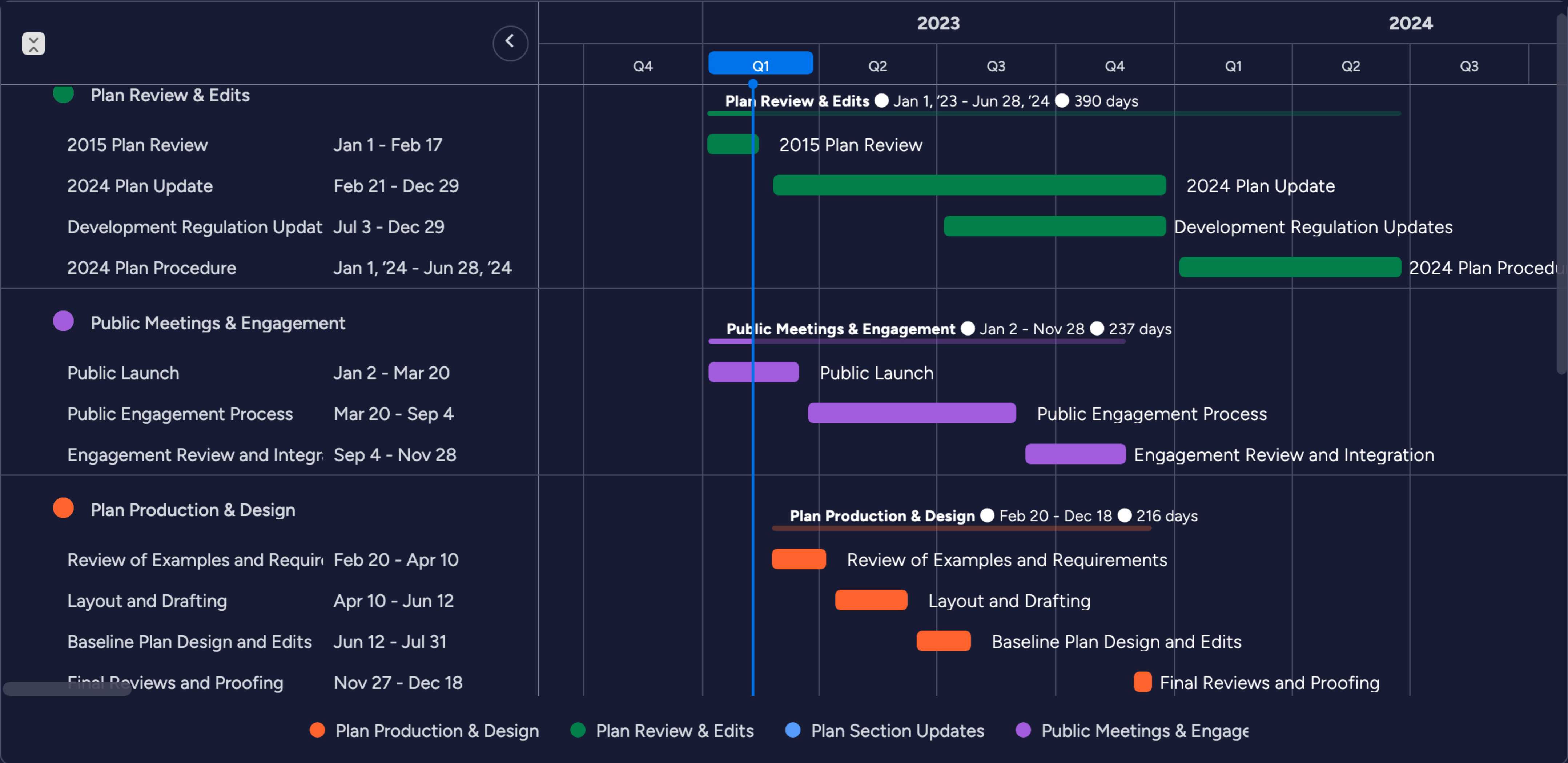
In short, the past month was marked by a final execution of the Department of Commerce's FY23 GMA Update Grant by the Mayor and the Department of Commerce along with the finalization of the Town Planner's work plan in accordance with receipt of these grant funds. Timelines shifted in response to the delayed receipt of the grant, but work remains on schedule and budget for a final submission ahead of the December 2024 deadline.

The Town Planner is reviewing preliminary checklist results with the Regional Planning Assistant at the Department of Commerce, and communications to that end are ongoing. The planning team is also reviewing the Puget Sound Regional Council's Plan Review manual to ensure full cooperation and coordination with regional planning authorities. Work on public outreach also began with discussing desired goals and focuses with the Planning Commission during the January Special Meeting.

March should see further outreach and engagement as the team plans on adding Comprehensive Plan Update information to the Yarrow Point website, sending out information in the newsletter, and coordinating a mailer campaign to inform residents of this process and the public's role therein. This effort will occur as the team also begins a coordinated effort to bring the existing Comprehensive Plan to a baseline level of compliance through chapter-wise reviews.

TYP GMA Update 2024

February 09, 2023 | 10:39:37



TYP GMA Update 2024

Summary

The dashboard below presents the past 30 days and the next 30 days of Comprehensive Planning work in SBN Planning's project management software. The battery shows the percentage of tasks in this time period at each level of completion. The countdown measures the time left until the final submission deadline in December 2024. The Gantt chart displays tasks by group and displays their level of completion.

Battery



45% Done

● Done ● Working ● Pending ● Feedback

Completed

15 Tasks

Remaining

16 Tasks

Countdown

22 3 5
Months Weeks Days

Gantt

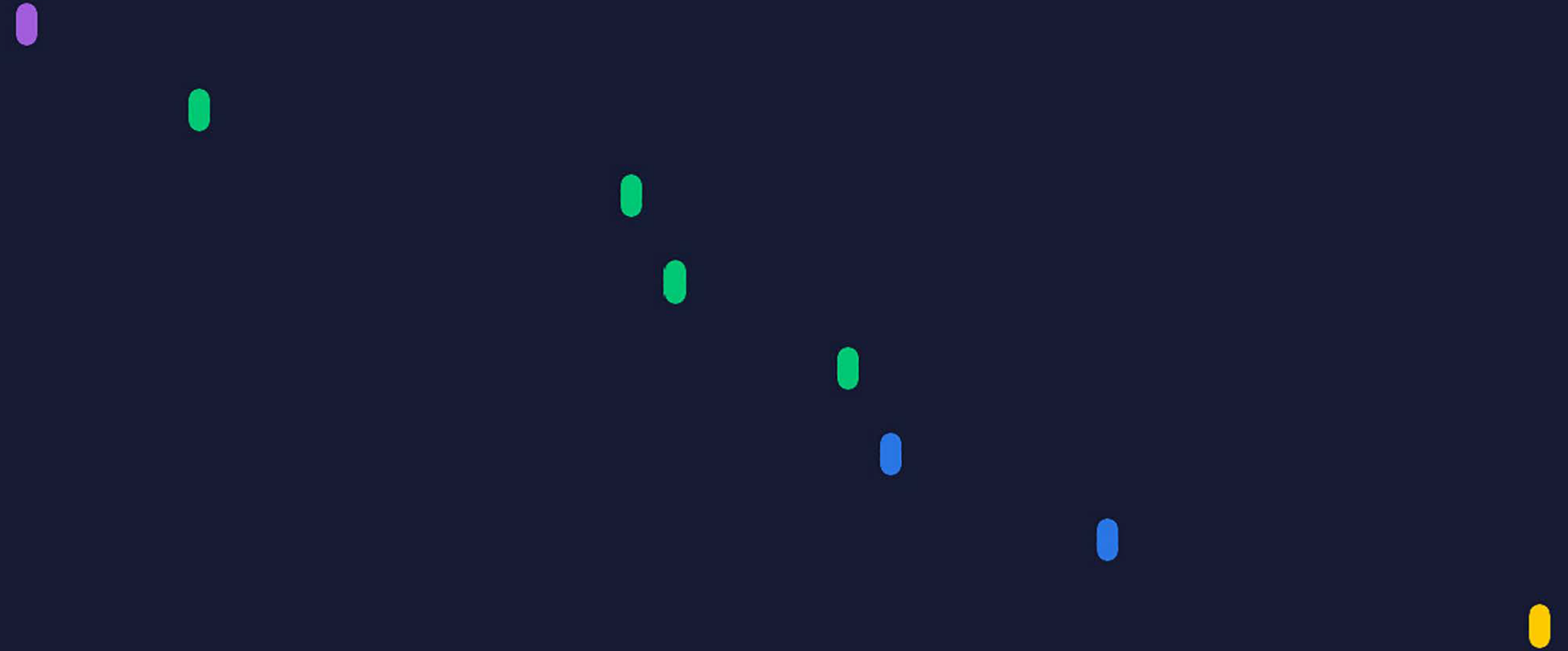


Q1 2023

Jan

Feb

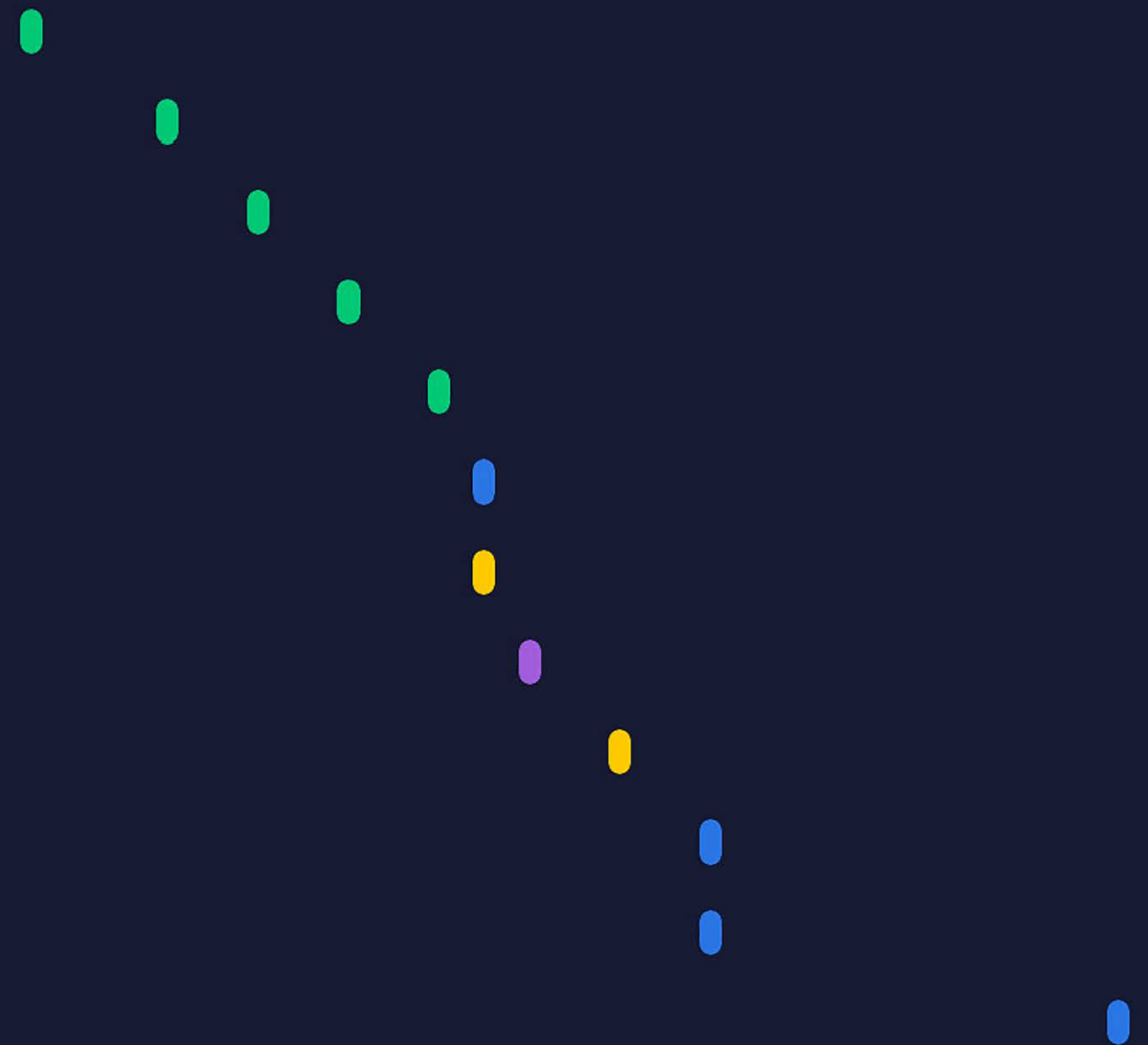
Plan Review & Edits ● Jan 13 - Mar 3 ● 36 days



Public Meetings & Engagement

Public Meetings & Engagement ● Jan 30 - Mar 3 ● 25 days

- PC Short Survey Draft Jan 30
- PC Survey REVIEW Feb 2
- Launch PC Feb Survey Feb 6
- TC Work Update Feb 8
- Website Strategy Feb 10
- Connect with Austen to set u Feb 13
- PC Work Update Feb 13
- Review PC Survey Results Feb 14
- Written Agenda Bills Feb 16
- Price out mailers and verify si Feb 20
- Verify Town schedule of publ Feb 20
- Web Content Design Mar 3



**TOWN OF YARROW POINT
PLANNING COMMISSION SPECIAL MEETING MINUTES
January 17, 2023**

The following is a condensation of the proceedings and is not a verbatim transcript.

CALL TO ORDER:

Commission Chairman Carl Hellings called the meeting to order at 7:00 p.m.

PRESENT:

Chairman: Carl Hellings

Commissioners: Chuck Hirsch
Jeffrey Shiu
David Feller
Lee Sims

Staff: Austen Wilcox – Deputy Clerk
Aleksandr Romanenko – SBN Planning
James Eager – SBN Planning
Dre Avila – SBN Planning

Guests: Carl Scandella – Planning Commission Ex officio member

APPROVAL/AMENDMENTS TO AGENDA

MOTION: Motion by Commissioner Shiu, seconded by Commissioner Hirsch to approve the agenda as presented.

VOTE: 4 for, 0 against. Motion carried.

Commissioner Feller arrived at 7:04 p.m.

STAFF REPORTS:

Deputy Clerk Wilcox gave a report of the January 10 regular Council meeting.

MINUTES:

- December 19, 2022 Regular Meeting

MOTION: Motion by Commissioner Hirsch, seconded by Commissioner Shiu to approve the December 19, 2022 regular meeting minutes as presented.

VOTE: 5 for, 0 against. Motion carried.

APPEARANCES:

None.

REGULAR BUSINESS:

AB 23-01 – Town of Yarrow Point 2023 Planning Commission Work Plan

During the January 2023 meeting of the Town Council, the proposed 2023 Planning Commission work plan was approved. The approved work plan includes work items which will continue from 2022 as well as new items added for 2023. If additional pressing matters come up in the Town, the Council may amend the work plan in order to direct the commission to address them.

- Hedge code update
- Code to address HB1220
- Periodic comprehensive plan update
- Short term rental code and policy (low priority project)

MOTION: Motion by Commissioner Hirsch, seconded by Chairman Hellings to accept the work plan as written and continue with the business of the Planning Commission.

VOTE: 5 for, 0 against. Motion carried.

AB 23-02 – Comprehensive Plan Update and Public Participation Plan

Dre Avila, SBN's public engagement specialist, provided a presentation of the public participation plan for the Comprehensive Plan Update. The goal is to meet the community where they are most comfortable sharing feedback, whether by physical or digital media, educate the public on the comprehensive plan process goals and assess what the community wants for the Town of Yarrow Point. The comprehensive plan is not necessarily going to capture everything that the public expresses a desire to see. However, the plan is an opportunity for the community to express broad aspirational desires for topics including housing, transportation, and greenspace.

As a general update, the comprehensive plan process continues to move at the expected pace following the delay of the grant from Commerce. A final checklist submission to commerce is also expected by the end of the month, following a final review with the King County Regional Planning Assistant. SBN staff continues to work towards a completed comprehensive plan update by the end of June 2024.

The Commission discussed the following public engagement strategies:

- Mailer
- Newsletter
- Survey
- Table at pickleball event
- Pagoda posting

The Commission will work with the Town Planner to develop development questions for the community engagement survey.

AB 23-03 – Hedge Code Amendments

Council gave feedback and directed the Planning Commission to continue with their work and to finalize the Hedge Code as part of their 2023 work plan.

The Planning Commission discussed and made further amendments to the draft code. They would like to have legal staff provide input on the current draft.

The Commission discussed:

- Establishing a template for guidance for residence
- Legal staff review of draft code
- Modify private nuisance language
- Research cost estimate for each step of mediation & arbitration process
- Explanation from legal staff regarding 50 percent fees relating to mediation or arbitration
- Clarifying average for 6.6' height

MOTION: Motion by Chairman Hellings seconded by Commissioner Hirsch to direct to staff to research/revise the draft hedge code further and to come back with the resulting update at the next meeting.

VOTE: 5 for, 0 against. Motion carried.

AB 23-04 – HB-1220 Code Enforcement Discussion

Based on this review, the Town has three methods of enforcing code compliance in Permanent Supportive Housing (PSH) and Transitional Housing (TH) facilities established due to HB-1220. The first is through the occupancy agreement established in 17.16.110(E). If a PSH or TH facility operator does not comply with their occupancy agreement, the Town can initiate code enforcement proceedings. These could include notices of violation, assessment of penalties, or removal of the facility altogether.

A second enforcement mechanism the Town could apply is requiring each operator to obtain a state business license. Similarly, if the operator does not comply with their occupancy agreement, the Town could ask the state to revoke that business license and the facility could no longer operate until they bring their license current. Finally, while not a direct form of enforcement, the Town could require periodic reports to the Mayor regarding how these permitted facilities are meeting performance metrics established by the Town. This would ensure the Town can regularly review the facility operations and can preemptively address any problems that arise.

The Planning Commission discussed:

- Enforcement Options and draft HB-1220 code
- List updates for staff to incorporate before future meetings

MOTION: Motion by Chairman Hellings, seconded by Commissioner Feller to recommend that the Town Council review the Draft HB1220 Code and provide the Planning Commission with direction.

VOTE: 5 for, 0 against. Motion carried.

APPEARANCES:

None.

ADJOURNMENT:

MOTION: Motion by Chairman Hellings, seconded by Commissioner Feller to adjourn the meeting at 8:37 p.m.

VOTE: 5 for, 0 against. Motion carried.

APPROVED:

ATTEST:

Carl Hellings, Chairman

Austen Wilcox, Deputy Clerk

**TOWN OF YARROW POINT
PARK BOARD REGULAR MEETING MINUTES
January 24, 2023**

The following is a condensation of the proceedings and is not a verbatim transcript.

CALL TO ORDER:

Chairman John McGlenn called the meeting to order at 7:02 p.m.

PRESENT:

Chairman:	John McGlenn
Commissioners:	Doug Waddell – <i>attended virtually</i> Dicker Cahill – <i>absent</i> Carolyn Whittlesey Krista Fleming Robert Afzal – <i>attended virtually</i> Kathy Smith <i>Ex Officio member</i>
Staff:	Austen Wilcox – Deputy Clerk Stacia Schroeder – Engineer
Guests:	Meredith Shank – Resident Eric Zhuang – Resident Graze Zhao – Resident

MINUTES:

- November 22, 2023 Regular Meeting

The Park Board will review the November minutes at the next regular meeting.

REGULAR BUSINESS:

PBAB 23-01 – Sally’s Alley Planning for West End

The Park Board discussed the current draft and the December 13 Council meeting minutes relating to Sally’s Alley Master Plan.

- The Park Board talked with Town Engineer Stacia Schroeder about the design
- Discussed an upcoming meeting with an adjacent neighbor regarding pathway into Sally’s Alley
- Landscaping around adjacent neighbors of Sally’s Alley
- Planning around upcoming private and public projects that will be in the vicinity of Sally’s Alley
- Layout pathway
- Look at options for a rock to be placed at the entrance of Sally’s Alley
- Future special onsite Park Board meeting at Sally’s Alley

Spring Cleanup:

- Recruit volunteers & make announcement in upcoming Town newsletter
- Check with Public Works Coordinator to discuss areas needed for maintenance.

The Park Board chose April 22, 2023 as cleanup day.

APPEARANCES:

Resident Meredith Shank asked if irrigation will be included for the future plantings in Sally's Alley. No irrigation will be used and drought tolerant plants will be utilized. Ms. Shank asked if the driveway into Sally's Alley is still public accessible and the Park Board responded stating that it is.

ADJOURNMENT:

MOTION: Motion by Park Board member Whittlesey seconded by Park Board member Fleming to adjourn the meeting at 7:49 p.m.

VOTE: 5 for, 0 against. Motion carried.

APPROVED:

ATTEST:

John McGlenn, Chairman

Austen Wilcox, Deputy Clerk

**Business of The Town Council
Town of Yarrow Point, WA**

7. Consent Calendar

February 14, 2023

Consent Calendar	Proposed Council Action: Approve Consent Calendar
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Presented by: Clerk-Treasurer

Exhibits: Payment Approval and Payroll Reports
Minutes of January 10, 2023 Regular Council Meeting

Summary:

The Consent Calendar consists of items considered routine for which a staff recommendation has been prepared, and for which Council discussion is not required. A council member may request that an item be removed from the Consent Calendar and placed under Regular Business for discussion. Items on the Consent Calendar are voted upon as a block and approved with one vote.

Consent Calendar Items for Consideration:

1. Payment Approval and Payroll Reports totaling \$69,017.68.
2. Minutes of January 10, 2023 Regular Council Meeting

Recommended Action:

Motion to approve the Consent Calendar as presented.

Vendor	Vendor Name	Description	Invoice Date	Amount Paid	YTD Payments
AWC					
61	AWC	2023 AWC Membership	01/01/2023	669.00	669.00
Total AWC:				669.00	
Banner Bank					
700	Banner Bank	Mutt Mitts 578.12 + misc.	01/18/2023	698.30	
700	Banner Bank	Truck maintenance	01/18/2023	107.51	
700	Banner Bank	Constant Contact	01/18/2023	77.07	
700	Banner Bank	Christmas Ship supplies+PD gift cards	01/18/2023	491.52	
700	Banner Bank	WA Finance Officers Dues	01/18/2023	75.00	
700	Banner Bank	Grant writing webinar	01/18/2023	40.00	
700	Banner Bank	Office supplies	01/18/2023	216.75	
700	Banner Bank	AWS, Msft, etc	01/18/2023	492.90	
700	Banner Bank	Staff meeting lunch	01/18/2023	180.03	
700	Banner Bank	Town cell phones	01/18/2023	125.46	8,015.65
Total Banner Bank:				2,504.54	
CASELLE, INC.					
1300	CASELLE, INC.	Contract support and maintenance for March	01/26/2023	746.48	2,239.44
Total CASELLE, INC.:				746.48	
Comcast					
301	Comcast	Internet and fax line	01/14/2023	262.07	527.82
Total Comcast:				262.07	
Comcast Business- VoiceEdge					
1374	Comcast Business- VoiceE	Town Hall Phone System - 2 months	01/15/2023	500.96	500.96
Total Comcast Business- VoiceEdge:				500.96	
CRYSTAL AND SIERRA SPRINGS					
1046	CRYSTAL AND SIERRA S	Town Hall Water Cooler	01/14/2023	55.95	111.90
Total CRYSTAL AND SIERRA SPRINGS:				55.95	
FCS Group					
475	FCS Group	Stormwater Rate Advice	12/16/2022	885.00	885.00
Total FCS Group:				885.00	
Flock Safety					
308	Flock Safety	Underpaid on last invoice	01/24/2023	5.00	5,505.00
Total Flock Safety:				5.00	
Gaylynn Brien					
1151	Gaylynn Brien	Sales Tax reports	01/31/2023	50.00	100.00
Total Gaylynn Brien:				50.00	
Gray & Osborne, Inc.					
9043	Gray & Osborne, Inc.	36th Sreet Stormwater Improvements	01/03/2023	274.72	1,930.01

Vendor	Vendor Name	Description	Invoice Date	Amount Paid	YTD Payments
	Total Gray & Osborne, Inc.:			274.72	
Harris, Katy K					
459	Harris, Katy K	Reimburse personal phone for January	01/21/2023	112.57	
459	Harris, Katy K	Reimburse for Christmas ship event	01/21/2023	19.98	242.31
	Total Harris, Katy K:			132.55	
ISOutsource					
1301	ISOutsource	Monthly charge for January	01/27/2023	110.10	
1301	ISOutsource	AW internet connection; KH email login	01/31/2023	309.60	600.20
	Total ISOutsource:			419.70	
MUNICIPAL PERMIT SERVICE, LLC					
350	MUNICIPAL PERMIT SER	Code Enforcement	01/31/2023	343.75	
350	MUNICIPAL PERMIT SER	Building Permit Inspections	01/31/2023	2,206.14	
350	MUNICIPAL PERMIT SER	Mechanical/Plumbing Permit Inspections	01/31/2023	1,531.80	
350	MUNICIPAL PERMIT SER	Plan Review	01/31/2023	1,281.25	10,474.81
	Total MUNICIPAL PERMIT SERVICE, LLC:			5,362.94	
NORTHWEST CIVIL SOLUTIONS					
450	NORTHWEST CIVIL SOLU	94th Ave UGC & Storm Improvements	01/31/2023	1,485.00	
450	NORTHWEST CIVIL SOLU	Pre-applications	01/31/2023	101.25	
450	NORTHWEST CIVIL SOLU	Plan Review - BLA	01/31/2023	371.25	
450	NORTHWEST CIVIL SOLU	Plan Review - Site Development	01/31/2023	708.75	
450	NORTHWEST CIVIL SOLU	General Admin - Sally's Alley	01/31/2023	810.00	
450	NORTHWEST CIVIL SOLU	General Administration	01/31/2023	1,890.00	9,618.75
	Total NORTHWEST CIVIL SOLUTIONS:			5,366.25	
PUGET SOUND CLEAN AIR AGY					
109	PUGET SOUND CLEAN AI	2023 Clean Air Assessment	01/20/2023	3,330.00	3,330.00
	Total PUGET SOUND CLEAN AIR AGY:			3,330.00	
PUGET SOUND ENERGY					
604	PUGET SOUND ENERGY	Town Hall Service	01/23/2023	361.54	
604	PUGET SOUND ENERGY	Street Lights	01/23/2023	684.84	2,114.19
	Total PUGET SOUND ENERGY:			1,046.38	
SBN Planning LLC					
154	SBN Planning LLC	SEPA	01/31/2023	523.92	
154	SBN Planning LLC	Shoreline Sub Development	01/31/2023	120.90	
154	SBN Planning LLC	Building Permits	01/31/2023	241.80	
154	SBN Planning LLC	Pre-applications	01/31/2023	1,047.80	
154	SBN Planning LLC	General Administration	01/31/2023	4,199.43	
154	SBN Planning LLC	Comp Plan Update	01/31/2023	4,030.00	18,783.40
	Total SBN Planning LLC:			10,163.85	
Scandella, Carl					
462	Scandella, Carl	Reimburse for Bellevue Chamber Event	01/30/2023	75.00	75.00

Vendor	Vendor Name	Description	Invoice Date	Amount Paid	YTD Payments
	Total Scandella, Carl:			<u>75.00</u>	
SEA-TAC SWEEPING SERVICE					
46	SEA-TAC SWEEPING SE	Street Sweeping - Jan & Feb.	01/09/2023	840.00	
46	SEA-TAC SWEEPING SE	Street Sweeping - Jan & Feb	01/09/2023	840.00	2,500.00
	Total SEA-TAC SWEEPING SERVICE:			<u>1,680.00</u>	
State Department of Transportation					
280	State Department of Trans	Gas for town truck	01/31/2023	85.92	192.56
	Total State Department of Transportation:			<u>85.92</u>	
THE SEATTLE TIMES					
192	THE SEATTLE TIMES	Meeting notices, Ord publications	01/31/2023	305.73	647.15
	Total THE SEATTLE TIMES:			<u>305.73</u>	
	Grand Totals:			<u><u>33,922.04</u></u>	

Vendor	Vendor Name	Description	Invoice Date	Amount Paid	YTD Payments
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Certification of the Consent Calendar as presented including the Payment Approval Report dated 2/8/2023 approving payments as shown totaling \$33,922.04, plus payroll, tax, and benefit expenses of \$35,095.64 as shown on the attached payroll & tax and benefits report, for a grand total of \$69,017.68.

I, the undersigned, do hereby certify that the items herein listed are proper obligations of the Town in accordance with the Town budget and directives of the Council and Mayor.

Clerk/Treasurer: Bonnie Ritter _____

Dated: February 14, 2023

Mayor Katy K Harris: _____

Councilmember Stephan Lagerholm: _____

Councilmember Carl Scandella: _____

Councilmember Charles H Porter: _____

Councilmember Andy Valaas: _____

Councilmember Kathy Smith: _____

Report Criteria:

Includes all check types
Includes unprinted checks

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Payee ID	Description	GL Account	Amount
01/31/2023	CDPT		0	EMPLOYMENT SECURITY DEPT	5	Quarterly Employment Security Pay	999-1010110	54.51-
01/31/2023	CDPT		0	DEPT OF LABOR & INDUSTRY	6	Quarterly L & I Workers Compensa	999-1010110	232.46-
01/31/2023	CDPT		0	EMPLOYMENT SECURITY DEPT	8	Quarterly WA FMLA WA Paid Fami	999-1010110	158.20-
01/31/2023	PC	01/20/2023	6612	Tobin, Benjamin	9043		999-1010110	66.50-
01/31/2023	PC	01/20/2023	120231	Lovas, Istvan	9002		999-1010110	5,085.99-
01/31/2023	PC	01/20/2023	120232	Wilcox, Austen	9037		999-1010110	5,015.27-
01/31/2023	PC	01/20/2023	120233	Ritter, Bonnie	9041		001-514-20-1	7,016.29-
01/31/2023	PC	01/20/2023	120234	Harris, Kathryn K	9047		999-1010110	1,710.21-
01/31/2023	CDPT	01/17/2023	8232024	Association of Washington Cities	9	Health and Dental Insurance Visio	999-1010110	3,759.84-
01/31/2023	CDPT	01/17/2023	8232024	DEPT OF RETIREMENT SYSTEM	1	State Retirement PERS II Pay Per	999-1010110	4,015.43-
01/31/2023	CDPT	01/17/2023	8232024	Federal Tax	2	941 Taxes Federal Withholding Tax	999-1010110	7,980.94-
Grand Totals:								35,095.64-
								<u>11</u>

**TOWN OF YARROW POINT
COUNCIL REGULAR MEETING MINUTES
January 10, 2023
4:00 p.m.**

The following is a summary of the proceedings and is not a verbatim transcript.

1. CALL TO ORDER:

Mayor Katy Kinney Harris called the meeting to order at 4:00 p.m.

PRESENT:

Mayor: Mayor Katy Kinney Harris

Councilmembers: Stephan Lagerholm
Carl Scandella
Chuck Porter
Andy Valaas
Kathy Smith – *attended virtually*

Staff: Bonnie Ritter – Clerk-Treasurer
Austen Wilcox – Deputy Clerk
Stacia Schroeder – Engineer
Aleks Romanenko - Planner
Scott Missall – Attorney
Emily Romanenko – Attorney

Guests: Dawn Hanson – Clyde Hill Police

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. APPROVAL OF/AMENDMENTS TO AGENDA

MOTION:

Motion by Councilmember Valaas, seconded by Councilmember Lagerholm to approve the agenda as presented.

VOTE: 5 for. 0 against. Motion carried.

5. STAFF REPORTS:

A. Police Report

Lt. Dawn Hanson reviewed the police report for December 2022.
Mayor Harris thanked the CHPD for their service in December.

B. Engineer Report

- 94th Ave NE

Gray & Osborne will join the team in January 2023 to begin the civil design. We expect the City of Bellevue Water Utility to complete their design and bid their project in early 2023 and then construct in the summer/fall of that same year. Staff will continue working with PSE to obtain their final design.

- 2023 TYP Stormwater Manual and Standards Update

Town staff received a proposal from Gray & Osborne that includes updating the Town's 2014 Stormwater Design Guidelines as well as the Town's 2010 Standard Plans and Notes Manual. The proposal (\$19,000) is an agenda item for Consideration later in this meeting.

6. APPEARANCES/PUBLIC COMMENT:

None.

7. CONSENT CALENDAR:

MOTION: Motion by Councilmember Valaas, seconded by Councilmember Porter to approve the Consent Agenda as presented.

VOTE: 5 for, 0 against. Motion carried.

8. REGULAR BUSINESS

8.1 – Department of Commerce \$100k grant for Planning Commission Comprehensive Plan Update

The dollar amount of this contract is \$50,000 for FY23: which runs from July 1, 2022, to June 30, 2023, for the State of Washington. The final \$50,000 for FY24 will be executed next year upon completion of the FY23 contract.

Planner Aleksandr Romanenko discussed the upcoming plan and answered questions from Council.

The Town Planner will provide updates to Council.

MOTION: Motion by Councilmember Porter, seconded by Councilmember Valaas to execute the Comprehensive Plan Update grant contract with Department of Commerce.

VOTE: 5 for, 0 against. Motion carried.

8.2 – Planning Commission 2023 Work Plan Proposal

The proposed work plan is an outline of the major work items which the Planning Commission will endeavor to address during the 2023 calendar year. Additional work may be added by Council as issues arise which require the planning commission's attention.

Council discussed and determined that short term rentals are a low priority.

MOTION: Motion by Councilmember Valaas, seconded by Councilmember Lagerholm to adopt the proposed 2023 Planning Commission work plan with the added note that short term rentals are a low priority.

VOTE: 5 for, 0 against. Motion carried.

8.3 – Hedge Code Feedback from Council to Planning Commission

Over the last six months, staff has worked with the Planning Commission to create a draft code that eliminates the ambiguities in the existing code, creates a clearer definition for hedges, and removes the Town from the enforcement process. Additionally, the draft code creates clear and detailed guidelines for residents to privately resolve their hedge disputes, and in the event that the voluntary dispute resolution process fails, they can seek civil action through a private nuisance claim. During the December Planning Commission meeting, the commissioners directed staff to bring the draft code to council for general review and feedback.

Council reviewed and was pleased with the direction of the draft code. The Planning Commission and staff will continue to fine-tune the draft and bring it back to Council for another round of review.

8.4 – Gray & Osborne, Inc Stormwater Drainage Guidelines and Standard Plans and Notes Update – Engineering Services, for approval

The Town of Yarrow Point currently uses Stormwater Drainage Guidelines (dated 2014) and Standard Plans and Notes (dated 2010) to guide developers and engineers designing public works facilities and private improvements related to transportation, utilities and drainage. The Town now desires to update these guidelines and incorporate them into formal Public Works Standards. Where possible, the Public Works Standards will reference by name the Washington State Department of Transportation Standards and Standard Plans, the Department of Ecology Stormwater Management Manual for Western Washington and the City of Bellevue Utilities Department Standards for Water and Sewer Facilities.

To ensure that the new Public Works Standards and the Yarrow Point Municipal Code (YPMC) work in conjunction, each document will be revised, as needed.

MOTION: Motion by Councilmember Lagerholm, seconded by Councilmember Porter to approve Gray & Osborne, Inc's estimated Engineering Services Proposal of \$19,000.00 to provide updates to the Town's Stormwater Drainage Guidelines and Standard Plans and Notes.

VOTE: 5 for, 0 against. Motion carried.

8.5 – Establishing Commencement Time and Location for Regular Planning Commission Meetings

Historically, the Yarrow Point Planning Commission scheduled its regular meetings to begin at 7:00 p.m. on the Monday after the second Tuesday of each month and held the meetings at Yarrow Point Town Hall.

At the December 19 regular Planning Commission meeting, the Commission made a motion recommending to Council to change their regular meeting from the third Monday of every month to the third Tuesday of every month. By doing so, this will maintain consistency with regular Council and Park Commission meetings that are both held on Tuesdays, allows for an easier date to remember, and it may also increase public participation.

Ordinance 728 establishes all regularly scheduled Planning Commission meetings to be held on the third Tuesday of each month and commence at 7:00 p.m. at Yarrow Point Town Hall, 4030 95th Ave NE, Yarrow Point, Washington.

MOTION: Motion by Councilmember Porter, seconded by Councilmember Lagerholm to approve Ordinance No. 728, AN ORDINANCE OF THE TOWN OF YARROW POINT, WASHINGTON, AMENDING CHAPTER 2.28 OF THE YARROW POINT MUNICIPAL CODE TO ESTABLISH THE COMMENCEMENT TIME AND LOCATION FOR REGULAR MEETINGS OF THE PLANNING COMMISSION; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE. VOTE: 5 for, 0 against. Motion carried.

8.6 – Establishing Commencement Time and Location for Regular Park Commission Meetings

The purpose of this Ordinance is to establish code for Park Commission commencement time and location for regular meetings.

Historically, the Yarrow Point Park Commission has scheduled its regular meetings to begin at 7:00 p.m. on the fourth Tuesday of each month and has held the meetings at Yarrow Point Town Hall.

Ordinance 729 establishes all regularly scheduled Park Commission meetings to be held on the fourth Tuesday of each month and commence at 7:00 p.m. at Yarrow Point Town Hall, 4030 95th Ave, Yarrow Point, Washington.

MOTION: Motion by Councilmember Porter, seconded by Councilmember Valaas to approve Ordinance No. 729, AN ORDINANCE OF THE TOWN OF YARROW POINT, WASHINGTON, AMENDING CHAPTER 2.32 OF THE YARROW POINT MUNICIPAL CODE TO ESTABLISH THE COMMENCEMENT TIME AND LOCATION FOR REGULAR MEETINGS OF THE PARK COMMISSION; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE. VOTE: 5 for, 0 against. Motion carried.

9. Mayor and Council Reports:

Mayor Harris announced the transition from Scott Missall to Emily Romanenko as designated Town Attorney. Scott Missall will serve as a back-up and will still be available if needed.

10. ADJOURNMENT:

MOTION: Motion by Councilmember Valaas, seconded by Councilmember Scandella to adjourn the meeting at 5:15 p.m.

VOTE: 5 for, 0 against. Motion carried.

Katy Kinney Harris, Mayor

Attest: Bonnie Ritter, Clerk-Treasurer

DRAFT

**Business of The Town Council
Town of Yarrow Point, WA**

8.1

February 14, 2023

1. ARCH 2023 Budget and Work Program 2.Trust Fund Recommendations	Proposed Council Action: Motion to approve Resolution No. 368 Motion to approve Resolution No. 369
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Presented by: ARCH Representative

- Exhibits:**
1. Resolution No. 368: A Resolution of the Council of the Town of Yarrow Point Approving the 2023 Administrative Budget and Work Program for a Regional Coalition for Housing (ARCH), and Approving Payment to the Housing Trust Fund
 2. Resolution No. 369: A Resolution of the Council of the Town of Yarrow Point 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 Town’s Housing Trust Fund
 3. Memo dated August 19, 2022 – ARCH 2023 Budget and Work Program
 4. Memo to Councilmembers dated January 12, 2023 – Fall 2022 Housing Trust Fund Recommendation (will be Exhibit to Res. 369)

Summary:

Resolution No. 368 is to approve the 2023 Administrative Budget and submittal of \$3,484 (as requested) plus approval of the work program and submittal of \$6516 to the Trust Fund, for a total of \$10,000 that the Town budgeted for 2023.

Resolution No. 369 is to give ARCH permission to expend \$14,500 from the Town’s portion of the ARCH trust fund balance. These funds were previously contributed to the Trust Fund by the Town.

Recommended Action:

ARCH is asking the Council to adopt Resolution No. 368 and Resolution No. 369.

**TOWN OF YARROW POINT
RESOLUTION NO. 368**

**A RESOLUTION OF THE COUNCIL OF THE TOWN OF YARROW POINT
APPROVING THE 2023 ADMINISTRATIVE BUDGET AND WORK
PROGRAM FOR A REGIONAL COALITION FOR HOUSING (ARCH),
AND APPROVING PAYMENT TO THE HOUSING TRUST FUND**

WHEREAS, the Town Council passed Resolution No. 295 on March 9, 2010, authorizing execution of the Amended and Restated Interlocal Agreement for a Regional Coalition for Housing (ARCH) by and between Yarrow Point, 16 other cities and King County updating and continuing the operation of ARCH; and

WHEREAS, Section 11 of the Amended and Restated Interlocal Agreement provides that the annual budget and work program for ARCH shall be recommended by the ARCH Executive Board to each member jurisdiction, and such recommendation has been made; and

WHEREAS, Section 11 of the Amended and Restated Interlocal Agreement also provides that the recommended budget and work program shall not become effective until approved by the legislative body of each member jurisdiction,

NOW, THEREFORE BE IT RESOLVED by the Town Council of the Town of Yarrow Point, Washington, that pursuant to Section 11 of the Amended and Restated Interlocal Agreement for ARCH, approved by Resolution No. 295, the Town Council hereby approves the 2023 ARCH Administrative Budget and Work Program as presented, and

BE IT FURTHER RESOLVED that upon approval of the 2023 Budget and Work Program, the Council approves payment of the amount of \$3,484 for the Town's share of the budget and \$6,516 to the Housing Trust Fund.

Adopted by the Town Council this 14th day of February, 2023.

Mayor Katy K Harris

ATTEST: Clerk-Treasurer Bonnie Ritter

**TOWN OF YARROW POINT
RESOLUTION NO. 369**

**A RESOLUTION OF THE COUNCIL OF THE TOWN OF YARROW POINT 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 TOWN'S HOUSING TRUST FUND**

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

WHEREAS, the ARCH Executive Board has recommended that the Town of Yarrow Point 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 Town's affordable housing funds are used for their intended purpose and that projects maintain their affordability over time; and

WHEREAS, the Town Council has approved Resolution 295 on March 9, 2010, approving the Amended and Restated Interlocal Agreement for ARCH; and

WHEREAS, the Town Council desires to use \$14,500 from the trust fund as designated below to finance the projects recommended by the ARCH Executive board,

NOW, THEREFORE BE IT RESOLVED by the Town Council of the Town of Yarrow Point, Washington as follows:

Section 1. The Town 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 Town to fund Ardea at Totem Lake, Habitat Bellevue Homes, Kenmore Supportive Housing, Kirkland Heights, Scattered Homes, Spring District, and Totem Six-Plex, in a combined total amount not to exceed \$14,500.

Section 2. The Agreements entered into pursuant to Section 1 of this resolution shall include terms and conditions to ensure that the Town'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.

Adopted by the Town Council this 14th day of February, 2023.

Mayor Katy K Harris

ATTEST: Clerk-Treasurer Bonnie Ritter



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			
A. Member Contributions	TOTAL \$1,334,162	BASE \$1,204,162	ADD'L \$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.



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

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.**

8. **Agency shall provide a relocation plan for ARCH review and approval, including 1) the total relocation budget, 2) description of impact to residents, and 3) sample relocation notices provided to residents (all applicable per approved relocation plan: 30-day notice, 60-day notice, etc.).**
9. **Agency shall provide ARCH a management plan that includes proposed recreational activities that will be offered to build community and promote resident engagement.**
10. **Agency shall identify and implement opportunities to incentivize sustainable transportation choices such as car sharing, public transportation, electric vehicle ownership and bicycle storage.**

5. ALPHA/Inclusion – Scattered Homes

Funding Request: \$400,000 (Secured Grant)
2 homes (including 3 tenants per home)

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

Project Summary:

The proposed ARCH-funded project will consist of the acquisition of two homes in East King County for individuals with Intellectual and Developmental Disabilities (IDD) earning below 30% AMI, referred through the Development Disabilities Administration (DDA). Each home is expected to have three clients. The \$400,000 request to ARCH would help to acquire two homes in the Woodinville/Bothell/Kenmore area, where the sponsor has an established presence and supports within the community. Inclusion Homes will own and operate the homes, while Alpha Supported Living provides tailored supportive services at each home.

The two proposed acquisitions include:

1. Purchase of a children's home in the Bothell/Woodinville area of King County (OHS Home #3). This will be a 4-bedroom home for the Out of Home Services (OHS) program for children and youth ages 9-20 years old. Alpha is seeking sites near their two existing OHS homes for streamlining of management and staffing purposes. The timeline to purchase the home is late 2023.
2. Purchase of a 3-bedroom Supported Living home located in East King County (Bothell, Woodinville), with services provided by Alpha also referred as Home #4. The timeline is to purchase the home in mid-2023.

Each home site will be assessed by Inclusion Homes for repairs and retrofitting at time of purchase as needed. Inclusion homes has already identified a list of up potential homes that would fit within the agency's needs and standard requirements.

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
HFHSC	\$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



A Regional Coalition for Housing

*ARCH Trust Fund
Recommendations
Fall 2022*

Total Requests

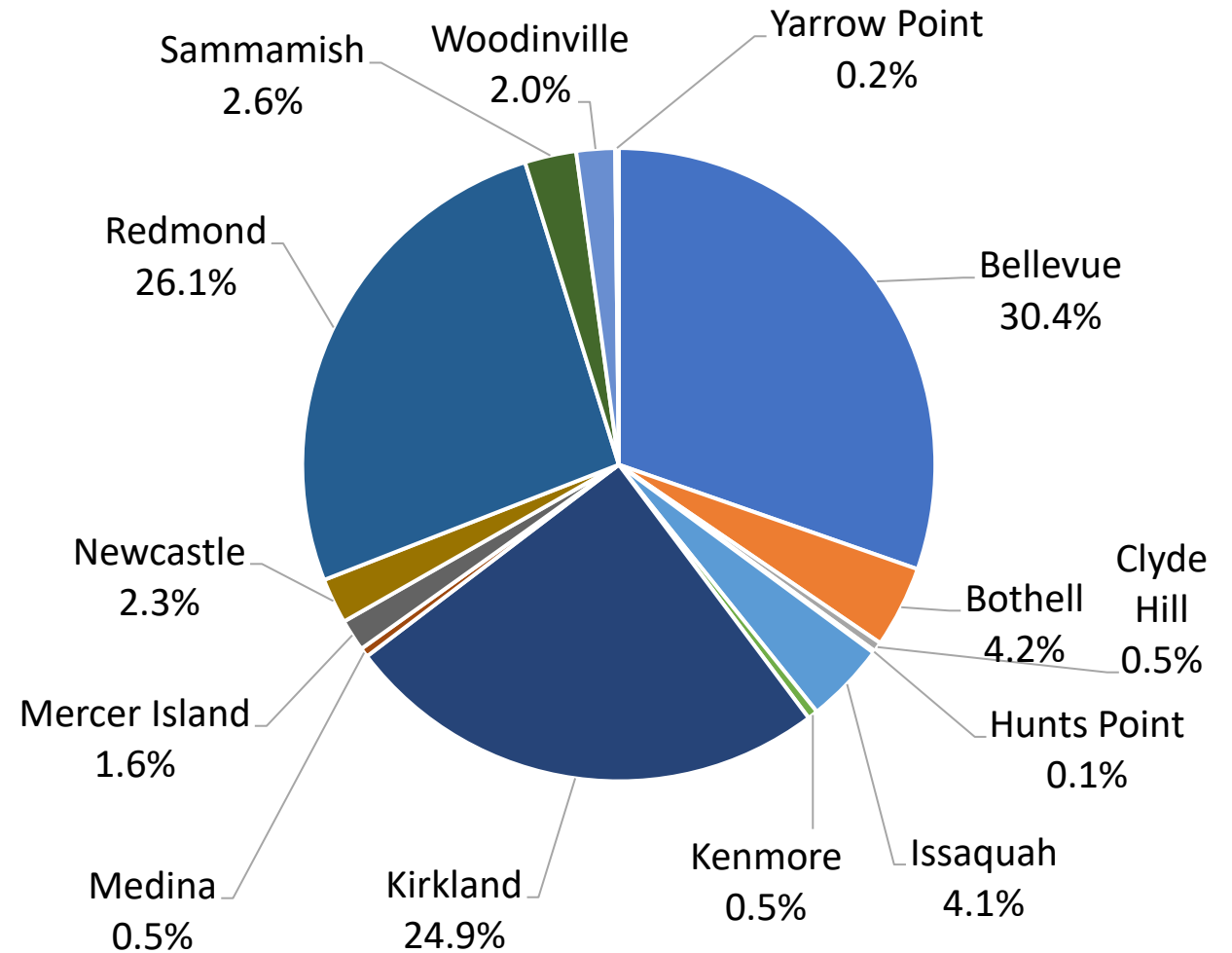
- Eight applications requesting a total of \$13.1M
- Submitted projects include 845 total affordable units/beds
 - 100 units in Kenmore, 7 beds in Kenmore-Bothell-Woodinville area
 - 478 units/beds in Kirkland
 - 260 units in Bellevue
- Projects also applied for King County and State funds

Applicant	Project	Location	ARCH Request	Units/ Beds
TWG/Imagine Housing	Ardea Senior Affordable Housing	Kirkland	\$1,400,000	170
Habitat for Humanity	Bellevue Homes	Bellevue	\$600,000	25
Plymouth Housing	Kenmore PSH	Kenmore	\$3,279,729	100
KCHA	Kirkland Heights	Kirkland	\$2,000,000	276
Friends of Youth	The Landing Shelter and Service Center	Kirkland	\$650,000	26
ALPHA/Inclusion Homes	Scattered Homes	Kenmore-Bothell-Woodinville	\$400,000	7
BRIDGE Housing	Spring District Affordable Housing Dev.	Bellevue	\$4,000,000	235
Attain Housing	Totem Six Plex	Kirkland	\$750,000	6
Total			\$13,079,729	845

Available Funds

- Approximately \$8M in available revenue
 - Kenmore also contributing \$5M in land/ARPA funds
- Funding Sources:
 - Local General Funds
 - Remaining 2021 funds
 - New 2022 contributions
 - Loan repayments, interest earnings, de-obligated funds
 - HB 1406 sales tax funds
 - Kirkland fee in lieu funds
 - CDBG funds
 - Kirkland, Redmond and N/E subregion

ARCH Trust Fund Balances November 2022

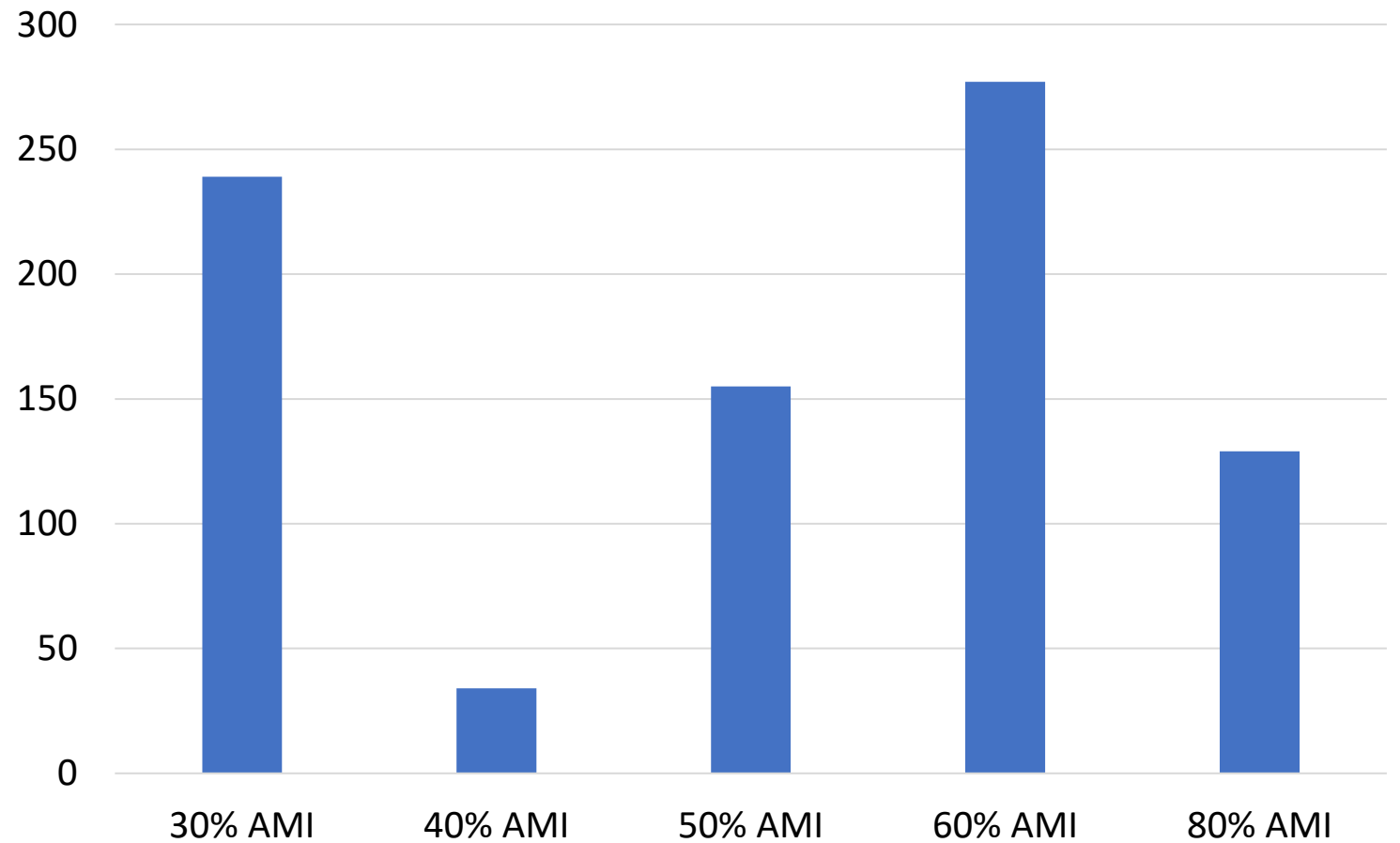


Recommendations

Applicant	Project	Location	ARCH Request	Recommended Award	Units/ Beds
TWG/Imagine Housing	Ardea Senior Affordable Housing	Kirkland	\$1,400,000	\$1,400,000	170
Habitat for Humanity	Bellevue Homes	Bellevue	\$600,000	\$600,000	25
Plymouth Housing	Kenmore PSH	Kenmore	\$3,279,729	\$3,279,700	100
KCHA	Kirkland Heights	Kirkland	\$2,000,000	\$600,000	25
Friends of Youth	The Landing Shelter and Service Center	Kirkland	\$650,000	\$650,000	26
ALPHA/Inclusion Homes	Scattered Homes	Kenmore- Bothell- Woodinville	\$400,000	\$400,000	7
BRIDGE Housing	Spring District Affordable Housing Dev.	Bellevue	\$4,000,000	\$350,000	235
Attain Housing	Totem Six Plex	Kirkland	\$750,000	\$50,000	6
Total			\$13,079,729	\$8,295,900	845

- Significant number of units with deep affordability
 - Section 8 vouchers or other rental subsidy to reach rents at or below 30% AMI
- Six rental projects, one shelter project, one homeownership development

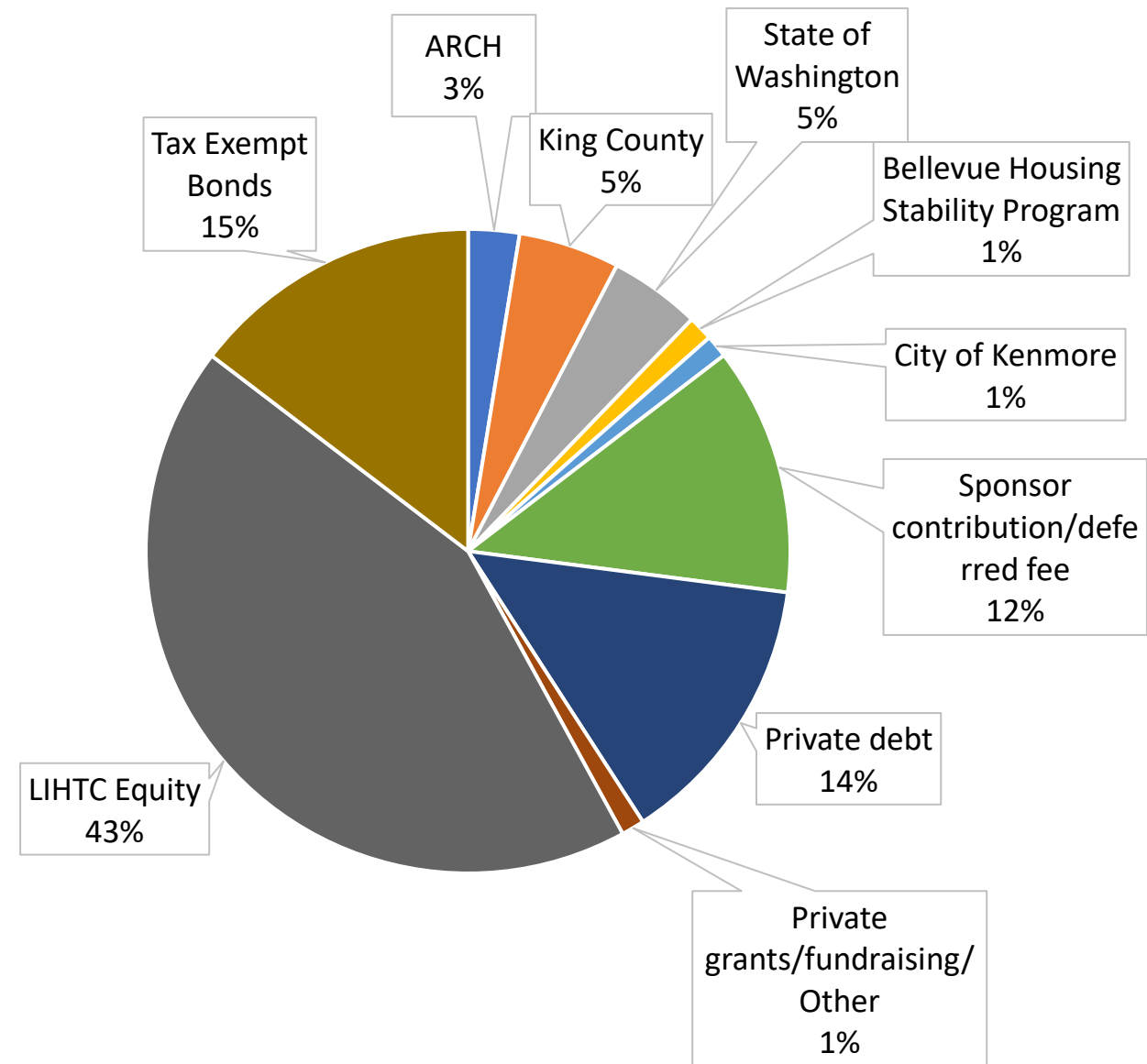
2022 Recommended Projects
Number of Units by Affordability Level



Leveraged Funding Sources

- \$482 million in estimated project funding in recommended projects
- \$38 for every \$1 of ARCH Trust Fund investment
- \$19 for every \$1 of local city funding (including proposed Kenmore and Bellevue funds)

Proposed Funding Sources ARCH Housing Trust Fund Projects, 2022



Ardea at Totem

- Location: 12700 116th Avenue NE, Kirkland WA
- Requested: \$1,400,000
- Recommended: \$1,400,000
- Project Sponsor/Developer: Imagine Housing and TWG
- 170 studio and 1BR units
- Affordability at 40%, 50% and 60% AMI
- Seniors and veterans
- Close to amenities, transit



Habitat Bellevue Homes

- Location: 4315 129th Pl SE, Bellevue WA (Holy Cross Church)
- Applicant: Habitat for Humanity of Seattle-King County
- Requested: \$600,000
- Recommended: \$600,000
- Unit Mix: 25 3BR cottages
- Affordability: 10 at 60% AMI, 15 at 80% AMI



Kenmore Supportive Housing

- Location: 6532 Bothell Way NE, Kenmore WA
- Applicant: Plymouth Housing
- Requested: \$3,279,729
- Recommended Funds: \$3,279,700
- Unit Mix: 100 studio and 1BR units
- Affordability: 30% AMI
- Homeless individuals, seniors, veterans and persons with disabilities



Additional Background

- \$1.9M City-donated property in downtown Kenmore with access to transit and amenities (one block from future BRT)
- \$3.2 million commitment of Kenmore ARPA Funds
- Strong City commitment to move the project quickly
- Competitive for 9% LIHTC
- Proposed health clinic partnership with Bastyr University
- Community courtyard for residents and patrons of commercial space



Kirkland Heights

- Location: 13310 NE 133rd Street, Kirkland, WA
- Requested: \$2,000,000
- Recommended: \$1,566,200
- Applicant: King County Housing Authority
- Preservation and redevelopment to increase from 180 to 276 units (including 3 manager units)
- Unit Mix: 1BR, 2BR, 3BRs
- Affordability: 106 units at 30% AMI, 53 units at 60% AMI, 114 units at 80% AMI
 - Existing residents include 76% BIPOC households



The Landing Shelter and Service Center

- Location: 12735 Willows Road NE, Kirkland WA
- Applicant: Friends of Youth
- Requested: \$650,000
- Recommended: \$650,000
- 6,790 SF Shelter/Drop-in Center with 26 beds
- Population: Young Adults (ages 18-24)



Inclusion Scattered Homes

Location: Scattered (TBD – Woodinville, Bothell, Kenmore area, near existing homes and agency headquarters)

Applicant: Inclusion Housing LLC (Alpha Supportive Living Services)

Requested: \$400,000

Recommended: \$400,000

Unit Mix: Two 3-4BR Single Family Detached Homes

Affordability: 30% AMI

Out of Home Services Home

Children (ages 8-21) with Intellectual/Developmental Disabilities

Supportive Living Home

Adult Individuals with Intellectual/Developmental Disabilities



Images are for illustrative purposes only – homes to be acquired in 2023.

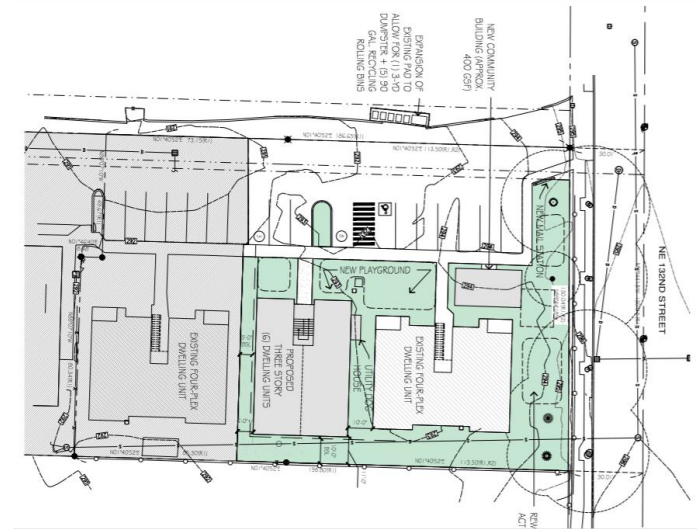
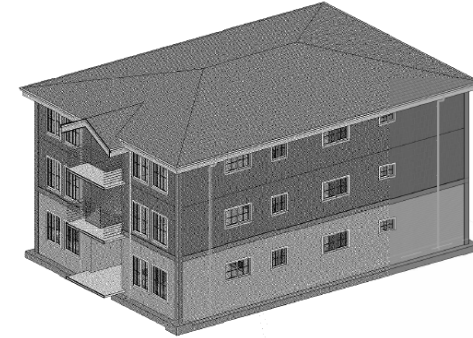
Spring District TOD

- Location: 1601 120th Avenue NE, Bellevue WA
- Applicant: BRIDGE Housing
- Requested: \$4,000,000
- Recommended: \$350,000
- Unit Mix: 235 studio, 1BR, 2BR and 3BR units
- Affordability: 40% AMI, 50%AMI and 60% AMI
- Families and individuals
- Part of larger mixed use, master planned TOD community
- Planned construction start in November 2024



Attain Six-plex

- Location: 12601 NE 132nd St, Kirkland
- Applicant: Attain Housing
- Requested: \$750,000
- Recommended: \$50,000
- Unit Mix: 6 2BR units
- Affordability: 30% AMI
- Transitional housing for homeless families
- Use of existing property to create new development site



Business of The Town Council Town of Yarrow Point, WA

8.2

February 14, 2023

Review quotes and consider options for repair of the Town sport court	Proposed Council Action: Review options, discuss and choose course of action
--	--

Presented by:	Mayor Harris
Exhibits:	Quotes from: <ul style="list-style-type: none">• Elvis' Landscape Services• Sound Sport Surfaces• Iron Creek Construction• Shark Blasting LLC

Summary:

The Town's sport is need in need of repair. The coating is peeling, and it does not last more than 2-3 years before peeling again due to no moisture barrier underneath the cement. In 2022, the Town researched repair options and it was recommended to tile over the existing the court as an alternative and less costly option than ripping out the entire court and redoing it. Residents spoke in opposition of the tile stating that it would not be as ideal as concrete is for pickleball.

The Town has received following quotes so far to make a drain around the existing court. While the drain may help resolve the issue of water seeping up through the bottom of the cement and lifting the coating, we cannot guarantee that it would be a long-term fix. We are in the process of receiving additional quotes for a completely redone court with a moisture barrier and, a quote for the installation of a second sport court adjacent to the existing one.

Recommended Action:

Review options, discuss and choose course of action.

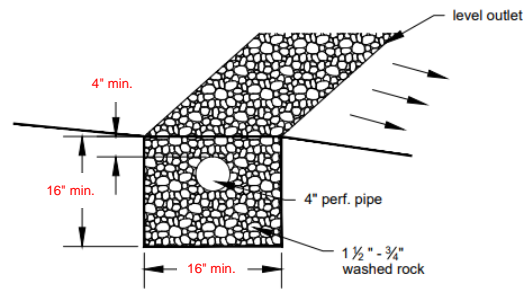
1/20/2023

Thank you for the opportunity to provide a proposal for yarrow point town hall. Our proposal for open french drain. Permits, bonds, and sales tax are not included.

TOTAL (excluding tax): \$2,600.00
\$262.60 (10.1% tax)
\$2,862.60

SCOPE:

- 1; Install new open french drain 60'x 16" x as needed.
- 2; Digg and disposal extra soil on site.
- 3: Install PVC drain pipe.
- 4; Add 1" ½ drain rock.



CONDITIONS/EXCLUSIONS:

1. The following shall not fall under the responsibility of Elvis" Landscape Services: locate and/or repair of non-primary utilites, including but not limited to auxiliary site lighting, backflow device, drainage and trenching.6. All hand watering in non-irrigated areas is the responsibility of the Owner.
2. Repair and/or replacement of existing landscape or irrigation features damaged or destroyed by others (if required) is not included.
3. Repair and/or replacement of existing landscape or irrigation features damaged or destroyed by others (if required) is not included.
4. Elvis" Landscape Services reserves the right to substitute plant material if specified varieties are not available through its typical sources. Any plant material changes or substitutions shall be approved by the Owner. If plant substitutions are requested after plants are ordered, the owner shall be subject to a 15% restocking fee.
5. Unless specifically noted, this proposal does not include any work that addresses or changes conditions below ground that exist as obstacles or hindrances towards completion of this proposal. Such conditions may include but are not limited to buried stumps, boulders, and water springs.
6. Any changes to the agreed upon plan will be noted and dated as a revision to the plan and be subject to a "Change Order Agreement". Specifications and product cutsheets will be provided as appropriate for approval of work.
- 7; Any change in materials specified herein must be approved by client prior to installation via signatures or an approved "Change Order Agreement". Client is responsible for payment of any restocking fees and/or extra time required by The Elvis" Landscape Services .
- 8;. Clearing and grubbing of all existing landscaped areas for proposed new landscaping and hardscaping per plan by others. Removal of debris consisting of, but not be limited to the following: concrete, asphalt, lumber, rocks 2" diameter and lar
9. Construction debris may be temporarily stored on site in an area approved by the Owner. This debris shall be removed by The Elvis" Landscape Services on a periodic basis or at any time at the Owner"s discretion.

10. Proposal assumes that construction materials may be stored on site during construction, and protected from the elements by The Elvis" Landscape Services and/or as specified by the material Suppliers.
11. Bid assumes on grade soil placement by machinery. Requests given prior to construction by General Contractor or owner for alternate placement methods will incur extra cost as agreed upon in a separate „Change Order Agreement”.
12. Delay of work due to weather conditions, vandalism or acts of God may cause work schedule to vary and project timelines will adjust accordingly. If abnormal conditions arise, efforts to protect construction will be made which may incur additional costs. . If owner requests that workmanship and construction continues despite abnormal conditions, as previously stated herein, warranty of workmanship and construction will be deemed void and extra costs will be addressed via a "Change Order Agreement."
13. All Construction Permits (when applicable with the governing municipality) are to be obtained by the property owner (unless otherwise arranged). Separate fees and charges may be required.
14. Warranty will not be provided for lawn installed in difficult growing conditions including, but not limited to, shaded areas or poorly draining areas.
- 15; Price does not include permits and/or associated fees (unless otherwise stated).
- 16;. Elvis" Landscape Services shall not be bound by any verbal promises or agreements not contained herein. All changes to this contract must be written and signed by both the owner and Elvis" Landscape Services to validate.

Elvis landscape service LLC; Maintenance • Installation • Irrigation • Drainage :

4931 dogwood drive everett wa 98203. 425-297-3373 elvislopezg5@gmail.com

Elvis Gonzales 01/20/23

Owner/Client Date Elvis Gonzales, Owner Date Elvis" Landscape Services

RECEIVED

JUL 20 2022

TOWN OF YARROW POINT
Clerk's Office

Sound Sport Surfaces

8512 122nd Ave NE, #232t

Kirkland, WA 98033

(425) 269-5979

clyde@soundsport100.com

Lic No. STENSCS003M1

7/10/22

Joshua Gribble /Yarrow Point Town Hall
4030 95th Ave E,
Yarrow Pt, Wa
206-730-3853, joshuagribble@gmail.com

Re: Sport Court Repairs and Resurfacing
Subject: Proposal

Dear Joshua,

Find below our Proposal for the Referenced Project

Scope of Work -

Pressure Wash Court for Repairs and Surfacing

Remove materials and other loose materials from existing Cracks

Scarify Old Surfacing Materials in 2 directions and dispose of scarified materials

Apply Patch Mix Repairs to Cracks and other deteriorated areas

Sand/Cement/Binder

Apply Slurry material (Sand/Cement/Binder) to surface to help newly applied Surfacing Materials adhere

Flood Slurry

Patch additional defects in Slurry Coat

Sand entire court surface

Apply Plexipave Resurfacing Materials –

1 Coat – Acrylic Resurfacer

2 Color Coats (2 Colors)

Line Painting for Pickleball and Basketball

Proposal Amount - \$17,200.00 plus Sales Tax

Exclusions: -

Water Hookup

Notes –

Repairs and Surfacing only to be done on horizontal surfaces and up to the edge of fence lines or other borders.

Trimming back of vegetation around Court by others. Contractor does not guarantee work that a) is performed to

repair existing raised or settled areas or cracked or damaged surfaces (including growths that appear up thru the

surfacing) that are repaired or b) failures due to new raised or settled areas or cracked or damaged surfaces

(including growths that appear up thru the surfacing) that appear after the work is completed. No surface condition

repairs including surface texture, slope corrections or bird bath corrections unless noted otherwise are included.

Repair work and Surfacing work is hand tooled and squeegee marks or other tools marks or brush marks or patched

areas or color variations or texture and speed of play variations may appear thru the Surfacing applications. New

Concrete work to have a strong medium broom finish and no curing compounds applied. Contractor does not

guarantee against surfacing adhesion issues or subsurface items that may appear thru the surfacing applications.

Contractor does not guarantee adhesion of surfacing materials or markings on surfacing materials due to abrasion of

external materials. Removal of Chalk Dust for Lines not included. Washout of materials allowed onsite. No

Landscape restoration included. Equipment access next to Court required.

Working Conditions (except for pressure washing and scarifying) – No surface moisture or threat of moisture before,

during and after for the days of work. Low temps – above 50 degrees. No start dates, time length of work or

completion dates are guaranteed. Work may not be continuous. Schedule can be affected by 1) weather affecting

projects previously scheduled 2) heavy Springtime Pollen drops, 3) weather concurrent with this project and 4)

workforce availability, material availability.

Thank you for the opportunity to provide you with this quotation

Sincerely,

Sound Sport Surfaces

Clyde Stensrud

(425) 269-5979

RECEIVED

By Town of Yarrow Point at 9:37 am, Feb 01, 2023

Iron Creek Construction LLC

Lic. # IRONCCC874MN

1420 NW Gilman Blvd Suite 2-2298 Issaquah, WA 98027

Phone: (425) 659-4896 Fax: (425) 659-4895

CONTRACT PROPOSAL

Client:	Town or Yarrow Point	Project No:	23-07
Contact:	Stacia Schroeder	Date:	January 26, 2023
E-Mail:	sschroeder@yarrowpointwa.gov	Phone:	206-276-8922

We hereby submit specifications and estimates for: **Sports Court French Drain**

Scope of Work:	Price:
<p>Site location: Sports Court @ Yarrow Point Town Hall</p> <p>Work includes all labor, equipment and materials to complete following:</p> <ul style="list-style-type: none"> Excavate and haul for french drain approx 18" x 18" 60' Install fabric and 4" perforated ads pipe, connect to existing yard drain & install clean out Backfill w/ pea gravel (less 2") at top Place 2" topsoil and grass seed Clean site 	<p>\$3,436.50</p>
<p>Subtotal \$ 3,436.50</p> <p>Tax (10.1%) \$ 347.09</p> <p>Total \$ 3,783.59</p>	

We propose hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

Three Thousand Seven Hundred Eighty Three & 59/100's Total Dollars \$ 3,783.59

Payments to be made as follows:

All material is guaranteed to be as specified. All work will be completed in a workmanlike manner according to standard practices. Any alteration of derivation from above specifications involving extra costs will be executed only upon signed written orders and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Final payment is due within 10 calendar days of project completion. If final payment has not yet been received within 30 calendar days of project completion contractor reserves the right to pursue legal action.

Authorized

Signature: _____

Note: This proposal may be withdrawn by Iron Creek Construction LLC if not accepted within 30 days

Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: _____

Signature: _____
Contractor

Signature: _____
Owner

SHARK BLASTING, LLC

PROPOSAL AND AGREEMENT

THIS AGREEMENT IS BETWEEN:

Shark Blasting, LLC (Contractor) and Yarrow Point Association (Owner).

Property address of where work is to be performed: 4030 95th Ave. Ne, Bellevue, WA 98004
Tennis Sport Court surface

1. Contractor to remove coating from tennis court, by means of media (sand) blasting.
2. Contractor will furnish all labor, materials and equipment to remove the coating in a good workmanlike manner, within industry standards. Media is eco-friendly. Contractor is not liable for damage due to sand blasting.
3. Contractor to clean up and haul off media, protect adjoining vegetation next to work areas (plastic & tarps) and remove the majority of Contractor's media and debris from Owner's premises.

Association to provide electric, water and access for Contractor.

Contractor will perform a test blast upon starting and will continue upon Owners acceptance.

The Contractor will agree to provide the above mentioned services for the amount of \$5700.00 plus local sales tax. Total amount will be due within 5 days of completion.

Any changes to the stipulations above must be requested by the Owner and agreed to by the Contractor in writing. In the event of any disputes, both Owner and Contractor agree to Binding Arbitration. It is mutually agreed the Arbitrator will have 20 plus years' experience in handling construction claims and disputes.

The parties hereby signify their agreement to the terms above by their signatures affixed below:

Yarrow Point Association
Authorized Signer

Date

SHARK BLASTNG, LLC

Date

Business of The Town Council Town of Yarrow Point, WA

8.3

February 14, 2023

Fence Height Amendment	Proposed Council Action: Adopt Ordinance No.722
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Presented by:	Mayor Harris
Exhibits:	Ordinance 722

Summary:

It has come to the Town's attention that many panels used to construct fences come with a trellis or other finishing top rails that exceed the current height limitation of six feet. Increasing the permitted fence height to six and a half feet would ensure that all existing fences are brought into compliance and would provide for a larger array of standard building materials to be used for future fences.

Additionally, this revision would streamline the permitting requirements for fences. If adopted, this ordinance would clarify that a building permit is required whenever a fence is built over 6'6" anywhere on the property, not just in the setbacks.

Fences/barriers proposed for sound attenuation would still continue to require a building permit, no matter the height. Sound barriers are typically used at automatic stand-by generators and other outdoors mechanical appliances which have specific code regulations for access and combustible materials clearances which must be confirmed.

Finally, "Lowest adjacent finished grade" is a proposed addition. This means that the fence height is measured from either side of the fence. Grades are often different from one side of a fence to another due to landscape slope, etc. One side of a fence may be significantly taller than the other. There are times when a fence is 6'-6" from the side of the person constructing the fence, but taller on the side facing neighbors. We would want a definition of Adjacent Finished Grade.

Enforcement of fence complaints for those that do not require a permit would be through code enforcement investigation only.

Recommended Action:

Approve Ordinance 722: AN ORDINANCE OF THE TOWN OF YARROW POINT, WASHINGTON, AMENDING YARROW POINT MUNICIPAL CODE SECTION 15.04.030 RELATING TO FENCE HEIGHTS; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

**TOWN OF YARROW POINT
ORDINANCE NO. 722**

AN ORDINANCE OF THE TOWN OF YARROW POINT, WASHINGTON, AMENDING YARROW POINT MUNICIPAL CODE SECTION 15.04.030 RELATING TO CONDITIONS AND EXEMPTIONS FROM BUILDING PERMIT REQUIREMENTS; AMENDING YARROW POINT MUNICIPAL CODE CHAPTER 17.08 TO ADD TWO NEW DEFINITIONS AND AMENDING THE DEFINITION OF “FENCE”; AMENDING YARROW POINT MUNICIPAL CODE SECTION 17.12.030 RELATED TO AUTHORIZED STRUCTURES IN SETBACKS; AMENDING YARROW POINT MUNICIPAL CODE SECTION 17.30.080 TO ENSURE CONSISTENCY OF FENCE HEIGHTS; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Section 15.04.030 of the Yarrow Point Municipal Code (“YPMC”) sets forth exemptions from the requirement to obtain a building permit; and

WHEREAS, YPMC 15.04.030 exempts certain fences that have a height of six feet or less from the requirement to obtain a building permit; and

WHEREAS, YPMC 17.12.030 restricts the height of certain structures located within setbacks; and

WHEREAS, it has come to the Town’s attention that many prefabricated panels used to construct fences come with a trellis or other finishing top rail that exceeds the current height limitation of six feet; and

WHEREAS, increasing the permitted fence height to six feet, six inches (6’-6”) would ensure that many existing fences using prefabricated panels are code compliant, and would provide for a larger array of building materials to be used for future fence construction; and

WHEREAS, the Town Council finds the amendments as set forth herein to be in the public’s interest, safety and welfare.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF YARROW POINT, WASHINGTON AS FOLLOWS:

SECTION 1. Findings. The foregoing recitals are hereby adopted as findings of fact in support of the adoption of this Ordinance.

SECTION 2. Amendment to YPMC Section 15.04.030. Yarrow Point Municipal Code Section 15.04.030 is hereby amended to read as follows:

Subsection 105.2, Building, of the IBC and subsection R105.2, Building, of the IRC, which list work of a building nature that is exempt from building permit requirements, are hereby amended to read as follows:

Building:

1. One-story detached accessory structures used as tool and storage sheds, playhouses and similar uses, provided the floor area does not exceed 120 square feet.
2. Single-family residential decks not exceeding 200 square feet in area, that are not more than 30 inches above finish grade at any point, are not attached to a dwelling and do not serve the exit door required by R311.2.
3. Boat moorage covers over open water not exceeding 120 square feet in horizontally projected roof area and which fully comply with all state and local regulations.
4. Fences not over six feet six inches (6'-6") in height as measured from the lowest adjacent finished grade to the top of the fence. A building permit is required for fences to be built within the setback area as defined in the Yarrow Point Zoning Code, and for any fence six feet in height or over wherever it is located on the property. This exemption shall not apply to any structure designed or used for sound attenuation purposes.
5. Retaining walls that are not over 4 feet in height measured from the bottom of the footing to the top of the wall, unless supporting a surcharge or impounding Class I, II or IIIA liquids.
6. Sidewalks and driveways not more than 30 inches above adjacent grade, and not over any basement or story below and are not part of an accessible route.
7. ~~A~~ Temporary motion picture, television and theater stage sets and scenery limited to thirty (30) days.
8. Temporary, prefabricated or mobile structures to be used on-site during construction and removed upon completion of the project.
9. Swings and other playground equipment accessory to detached one and two family dwellings and not affecting the structural coverage allowance of the lot.
10. Interior and exterior trim, painting, papering, tiling, cabinets, counter tops, carpeting, finished flooring and other similar finish work for which inspection to verify code compliance is not required.
11. Ornamental or decorative ponds or pools that contain water not over twenty-four (24) inches in depth.
12. Non-fixed and moveable fixtures, cases, racks, counters and partitions not over five (5) feet nine (9) inches in height.
13. Prefabricated swimming pools accessory to a Group R-3 occupancy that are less than 24 inches deep, are not greater than 5,000 gallons and are installed entirely above ground.

14. Residential re-roofing involving:

- a. Removal and replacement of existing roofing materials using same or similar type of materials where the work does not activate other building code or energy code requirements, and does not reduce existing ventilation or storm water drainage connections and dispersal; or
- b. A re-roof overlay of one layer of asphalt composition onto an existing layer of asphalt composition.

15. Any work not regulated by provisions of this code or any elements of the State Building Code.

SECTION 3. Amendment to chapter 17.08 YPMC. Yarrow Point Municipal Code Chapter 17.08 is hereby amended to include two new definitions as follows:

“Lowest adjacent finished grade” means the lowest point of the ground level immediately next to or abutting a building or structure.

“Open-work fence” means a fence in which the solid portions are evenly distributed and constitute no more than fifty (50) percent of the total surface area.

SECTION 4. Amendment to chapter 17.08 YPMC. Yarrow Point Municipal Code Chapter 17.08 is hereby amended to revise the definition of “fence” as follows:

“Fence” means a barrier commonly composed of posts or piers connected by boards, rails, panels or wire, or a masonry wall.

SECTION 5. Amendment to YPMC Section 17.12.030(B). Yarrow Point Municipal Code Section 17.12.030(B) is hereby amended to read as follows:

B. Fences, Walls, Hedges.

1. No fence, wall, hedge or vegetation shall be permitted which will impair the visibility for vehicular traffic as determined by the town engineer or his designee.

2. No fence, freestanding wall, retaining wall, rockery, or hedge in the setback area shall exceed six feet, six inches (6’6”) in height above the lowest adjacent finished grade, except as noted below ~~or in subsection (N)(3) of this section.~~

3. Where a retaining wall protects a cut, such a wall may be topped by a fence or wall of the same height that would otherwise be permitted at the location if no retaining wall existed.

4. Where a retaining wall protects a fill, the height of the fill shall be considered as subtracting from the normally permitted height of a fence constructed in the setback area.

5. Whenever a fence is required as a protective guard rail for a retaining wall that protects a fill, the combined height of the wall and fence shall be permitted to exceed six feet, six inches (6’6”) in height; provided, that the fence shall not exceed 36 inches in height and any portion of such fence more than ~~72 inches~~ six feet, six inches (6’6”) above the foot of the wall shall be an open-work fence.

SECTION 6. Amendment to YPMC Section 17.12.030(N)(3). Yarrow Point Municipal Code Section 17.12.030(N)(3) is hereby amended to read as follows:

3. Fencing surrounding tennis courts, paddle tennis courts, and similar recreational facilities shall be constructed of non-sight-obscuring material and shall not exceed 12 feet in height. ~~Within the setback area a fence shall not exceed six feet in height above finished grade.~~

SECTION 7. Amendment to YPMC Section 17.30.080(J). Yarrow Point Municipal Code Section 17.30.080(J) is hereby amended to read as follows:

J. A wooden fence not more than six feet, six inches (6'6") in height from the finished grade shall be provided around each macro facility. Access to the facility shall be through a locked gate.

SECTION 8. Severability. If any section, subsection, sentence, clause, phrase or word of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase or word of this Ordinance.

SECTION 9. Corrections. The Town Clerk-Treasurer and codifiers of the ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

SECTION 10. Effective Date. A summary of this Ordinance consisting of its title shall be published in the official newspaper of the Town. This Ordinance shall take full force and effect five (5) days after the date of publication.

APPROVED BY THE TOWN COUNCIL OF THE TOWN OF YARROW POINT ON THIS__ DAY OF _____, 2023.

Katy Kinney Harris, Mayor

Approved as to form:
Town Attorney

Attest/Authenticated:

Ogden Murphy Wallace, PLLC

Bonnie Ritter, Clerk-Treasurer

PUBLISHED BY THE TOWN COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO.: 722

Business of The Town Council

Town of Yarrow Point, WA

8.4

February 14, 2023



Permanent Supportive and Transitional Housing Code Amendments	Proposed Council Action: Give Direction to Planning Commission
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Presented by:	SBN Planning – Town Planner
Exhibits:	<ul style="list-style-type: none"> • Municipal Research and Services Center Article on ESSHB-1220 • Draft Development Standards Code Amendments

Summary:

In July 2021, Engrossed Second Substitute House Bill 1220 (ESSHB-1220 or “Bill”) went into effect. This bill eliminates zoning barriers related to the provision of transitional housing (TH), permanent supportive housing (PSH), emergency shelters, and emergency housing. While there is no requirement for any ordinance from the Town of Yarrow Point in response to the Bill, nearby jurisdictions such as Medina, Normandy Park, and Bellevue have discussed and passed related ordinances. While no regulations are explicitly necessary, the Bill states that “reasonable occupancy, spacing, and intensity of use requirements may be imposed by ordinance...to protect public health and safety.”

Any ordinance passed by the Town cannot prohibit the aforementioned types of housing per the standards set by the Bill. The provision in the Bill requiring accommodation of emergency supportive housing and emergency shelters in zones that allow hotels does not apply to the Town as it lacks hotel zoning. However, other provisions require the accommodation of transitional and permanent supportive housing in any zones in which residential dwelling units are allowed. In general, permanent supportive housing is meant to be a permanent form of housing for those facing homelessness. In contrast, transitional housing provides temporary accommodation for those looking to progress from homelessness to permanent supportive housing.

While nearby jurisdictions have adopted either temporary or permanent regulations on PSH and TH, all jurisdictions are awaiting further guidance from the Washington State Department of Commerce regarding the number of these housing units they will need to plan for. While Commerce has released draft numbers recently, they stated that final guidance is expected later this month. Commerce’s guidance could provide more clarity related to what regulations are deemed “reasonable” by the state. This is especially relevant when it comes to the discussion of spacing PSH and TH units. Many passed ordinances from nearby jurisdictions have provisions regarding how these units are spaced, which could be deemed excessive depending on that final guidance. The Town Attorney has communicated that creating buffers between this housing and public facilities, such as parks, may not align with State guidance and require future changes.

In December, draft code amendments addressing the provisions of ESSHB-1220 were presented to the Town of Yarrow Point Planning Commission. These amendments addressed the spacing and occupation of PSH and TH units in Yarrow Point. Planning Commission

directed the Town Planner to further research possible avenues for enforcement of the amendments and to ask Council for guidance on the desired intensity of enforcement.

The Town Attorney has advised the Town Planner on three possible enforcement mechanisms for these amendments. The first is opening code enforcement proceedings following any breach of compliance with the occupancy agreement, as required by 17.16.110(E) in the draft amendments. The second is requiring facility operators to obtain a Washington Business License. In any case of non-compliance with the occupancy agreement, the Town could ask the State to revoke the facility's license and suspend operations until compliant. Finally, the Town could require reports on performance metrics from the facility. While not directly enforcing the code, these reports could help the Town preemptively address any issues before taking either of the first two approaches.

Recommended Action:

Direct the Planning Commission on the Town's desired level and/or path for enforcement of the Draft Development Standards Code Amendments which address the impacts of HB1220 for final review.

Changing Your Zoning Code to Accommodate Housing and Shelters for the Homeless

June 29, 2021 by [Steve Butler](#)

Category: [New Legislation and Regulations](#), [Development Regulations and Zoning](#), [Homelessness](#)



Homelessness and affordable housing are two major and difficult issues facing communities throughout the State of Washington. To help address these complicated issues, [E2SHB 1220](#) was recently signed into law and is meant to encourage cities (both code and non-code cities, but not counties) to take active steps to accommodate transitional housing, emergency shelters, and similar homelessness-related facilities through local planning and changes to local development

regulations. This signed bill contains new requirements related to:

1. Housing element updates;
2. Adoption of moratoria or interim zoning controls; and
3. Zoning and development regulations regarding indoor shelters and housing for the homeless or those at risk of becoming homeless (with very tight deadlines, if local zoning revisions are needed).

Proposed standards related to accessory dwelling unit (ADU) standards within [E2SHB 1220](#) were vetoed by Governor Jay Inslee.

This blog will focus primarily on the third bulleted item, which is related to increasing local accommodation of:

- Indoor emergency shelters,
- Indoor emergency housing,
- Transitional housing, and

- Permanent supportive housing.

Some cities have quickly reviewed their zoning codes and determined that they already meet the new requirements, so you may find yourself in that same situation.

Please note: MRSC has been receiving sample documents from area local governments related to HB 1220, including ordinances and code amendments. You can find these in our [Sample Document Library](#) with the search term "HB 1220".

Summary of the New Requirements

[RCW 35.21.689](#), which was adopted in 2019, states that “a city may not prohibit permanent supportive housing in areas where multifamily housing is permitted.” E2SHB 1220 now adds “transitional housing” to this prohibition and extends the geographic scope as follows:

A city shall not prohibit transitional housing or permanent supportive housing in any zones in which residential dwelling units or hotels are allowed.

E2SHB 1220 also includes the following provisions:

- Effective September 30, 2021, a city shall not prohibit indoor emergency shelters and indoor emergency housing in any zones in which hotels are allowed, except in such cities that have adopted an ordinance authorizing indoor emergency shelters and indoor emergency housing in a majority of zones within a one-mile proximity to transit.
- Reasonable occupancy, spacing, and intensity of use requirements may be imposed by ordinance on permanent supportive housing, transitional housing, indoor emergency housing, and indoor emergency shelters to protect public health and safety.

The effective date of the first new requirement is July 25, 2021 (in other words, the effective date of the bill), while E2SHB 1220 specifically calls out September 30, 2021, as the effective date for the second requirement listed above. The “reasonable requirements” listed in the third bullet could presumably be applied to any local code revisions made to comply with the new state law.

There are many aspects of the new law that have raised some questions from local government officials who are trying to understand and incorporate the new requirements into local zoning and development codes.

General Guidance and Some Options to Consider

I recently emailed a short survey about E2SHB 1220 to a number of Washington State Planning and Community Development Directors/Managers, and they identified the questions/issues described in this section of the blog.

A. Definitions

Most zoning codes already have definitions for land uses like homeless shelters and transitional housing. It is important that you actively review how the four listed land uses are defined in your development regulations, however, and make sure your definitions are consistent with those in state law.

E2SHB 1220 contains definitions for “emergency shelters” and “emergency housing” (see [Section 6 of the bill](#)). Although it was created for a tax exemption provision, [RCW 84.36.043\(2\)\(c\)](#) provides a definition of “transitional housing:”

“Transitional housing” means a project that provides housing and supportive services to homeless persons or families for up to two years and that has as its purpose facilitating the movement of homeless persons and families into independent living.

Last but not least, [RCW 36.70A.030](#) defines permanent supportive housing (PSH) as:

...subsidized, leased housing with no limit on length of stay, paired with on-site or off-site voluntary services designed to support a person living with a disability to be a successful tenant in a housing arrangement, improve the resident's health status, and connect residents of the housing with community-based health care, treatment, and employment services.

Generally speaking, PSH is meant to be a permanent form of housing for households facing homelessness, while the others are meant to provide a transition between homelessness and a permanent housing option.

B. Standards related to occupancy, spacing, and intensity of use

E2SHB 1220 states that “(r)easonable occupancy, spacing, and intensity of use requirements may be imposed by ordinance...to protect public health and safety” on the four types of housing/shelter, but what would qualify as being a “reasonable” requirement under those three categories? There is no definitive answer to that question, but here are some ideas for you to consider when thinking about adopting your own local requirements:

- **“Occupancy”** often refers to a maximum number of occupants in a structure or facility, at least in a zoning context. For a related but different type of land use, a Community Residential Facility (CRF), the [City of Burien Zoning Code](#) differentiates between a smaller CRF-I, with 9-10 residents and staff, and a larger CRF-II, with 11 or more residents and staff. According that city's development regulations, a CRF I is allowed in many zones (including many residential zones), while a CRF II is limited to more intensive, commercial zones. In addition, occupancy standards may sometimes also address the type of person staying at a specialized facility.
- **“Intensity of Use”** may sometimes be related to “occupancy” (see above) but can also address impacts like building size and height, traffic levels, and noise. In addition, intensity of use standards may tackle “barrier to entry” conditions imposed by a proposed facility (for example, whether or not an indoor emergency shelter allows pets or has a sobriety requirement). Some communities, like the City of Bellingham, require an operations plan to deal with mitigation of potential impacts — see [Bellingham Municipal Code Subsection 20.15A.020\(Q\)](#) and other related subsections.
- **“Spacing”** is usually applied within a zoning code to limit how close one designated use may be to another use of the same type. For example, the City of Kent requires a minimum separation of 1,000 feet between emergency housing or emergency facility sites (see footnote 31 of [Kent Municipal Code Subsection 15.04.020](#)).

It is important to remember that these optional standards are not to be used to prevent the siting of a sufficient number necessary to meet your community's need for the four housing/shelter types.

C. Two options for zoning related to indoor emergency shelters and indoor emergency housing

If your local zoning code does not list hotels as a permitted or conditional use, it would seem that HB 1220 would not require your community to zone for indoor emergency shelters and indoor emergency housing.

For all other municipalities that allow hotels in one or more zones, the new state requirements provide the two options of allowing indoor emergency shelters and indoor emergency housing in either: (1) all zones where hotels are allowed; or (2) a majority of zones within one-mile of transit.

If your community does *not* want to use the first, relatively straightforward approach, then the second option would likely involve most or all of the following steps:

- Mapping all of the transit stops/routes (“transit” is not defined in E2SHB 1220 but could reasonably be viewed as including public bus transit, light rail, and commuter rail);
- Applying a one-mile radius to all of the mapped areas;
- Identifying all of the zones that fall with the mapped radii;
- Numerically determining what would constitute a “majority” of the mapped zones;
- Specifically selecting the zoning categories for which indoor emergency shelters and indoor emergency housing would (again, it would need to be within a majority of the mapped zones) and would not be allowed; and
- Revising your zoning code.

This second approach would involve a fair amount of effort, although it could be more easily accomplished by utilizing geographic information systems (GIS) mapping.

Timing and Schedule

As mentioned earlier, major deadlines associated with E2SHB 1220 are July 25, 2021, and September 30, 2021. These deadlines will require a very quick turnaround from local governments, especially when you factor in the time needed for preparation of new code language, planning commission review, the required 60-day review by the Washington State Department of Commerce (Commerce), public hearing(s), and final review and adoption by the local legislative body.

Please note that a local government *cannot* adopt a moratorium or interim zoning controls to avoid or delay compliance with the requirements of [E2SHB 1220](#) (see Section 5 of the new law amending [RCW 36.70A.390](#) regarding use of interim controls and moratoria). However, it appears that you could adopt interim standards for initial passage of zoning/development regulations that *comply* with the requirements of the new law. Accordingly, adoption of interim standards may be one method to consider when attempting to meet some very tight deadlines. In fact, the Maple Valley City Council adopted interim standards on June 28, 2021 (see the [Maple Valley City Council Special Meeting packet](#), starting on page 113).

Regarding review by Commerce, it is recommended that you reach out to your [assigned regional planner](#) and start the 60-day clock as soon as you can, even if you don’t have all of the details finalized yet. If you are considering asking Commerce for an expedited review of your proposed development code changes, you should reach out to your assigned planner first to make sure that option is even possible.

Conclusion

Finding ways to accommodate the necessary number of indoor emergency shelters, indoor emergency housing, transitional housing, and permanent supportive housing is an important endeavor, but may be a difficult one for your community. E2SHB 1220 establishes clear expectations for local governments and provides them some flexibility in determining how to accomplish this in a manner that is both compatible with local needs and achievable within a very short timeframe.

MRSC is a private nonprofit organization serving local governments in Washington State. Eligible government agencies in Washington State may use our free, one-on-one [Ask MRSC service](#) to get answers to legal, policy, or financial questions.



About Steve Butler

Steve joined MRSC in February 2015. He has been involved in most aspects of community planning for over 30 years, both in the public and private sectors. He received a B.A. from St. Lawrence University (Canton, New York) and a M.S. in Urban and Regional Planning from the University of Wisconsin-Madison. Steve has served as president of statewide planning associations in both Washington and Maine, and was elected to the American Institute of Certified Planner's College of Fellows in 2008.

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Yarrow Point Municipal Code Title 17 Zoning Draft Amendments

17.12.010 Definitions. NEW

“Permanent supportive housing” means one or more subsidized, leased dwelling units with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident’s health status, and connect the resident of the housing with community-based health care, treatment, or employment services. Permanent supportive housing is subject to all of the rights and responsibilities defined in chapter 59.18 RCW.

“Transitional housing” means one or more dwelling units owned, operated, or managed by a nonprofit organization or governmental entity in which supportive services are provided to individuals and families that were formerly homeless, with the intent to stabilize them and move them to permanent housing within a period of not more than 24 months, or longer if the program is limited to tenants within a specified age range or the program is intended for tenants in need of time to complete and transition from educational or training or service programs.

17.16.110 Permanent supportive housing and transitional housing facilities. NEW

Permanent supportive and transitional housing facilities are permitted uses in any zoning district allowing a single-family dwelling subject to the following criteria:

- A. Permanent supportive and transitional housing facilities are limited to a maximum of six residents at any one time, plus up to four resident staff.
- B. Permanent supportive and transitional housing facilities must be a 24-hour-per-day facility where rooms or units are assigned to specific residents for the duration of their stay. Transitional housing facilities shall require a minimum length stay of 72-hours.
- C. On-site services such as laundry, hygiene, meals, case management, and social programs are limited to the assigned residents and shall not be available for drop in or other use by nonresidents.
- D. No permanent supportive housing or transitional housing facility may be located within half a mile of another property that contains a permanent supportive housing or transitional housing facility, calculated as a radius from the property lines of the site.
- E. Prior to the start of operation for a permanent supportive housing or transitional housing facility, an occupancy agreement shall be submitted to the city meeting the following requirements. The city shall review and determine that the occupancy agreement meets the following requirements to the city’s satisfaction before approving the occupancy agreement.
 1. Property owners and/or facility operators shall use and enforce the occupancy agreement approved by the city.
 2. The occupancy agreement shall include but is not limited to the following:
 - a. Names and contact information for onsite staff. The facility operator shall notify the city of each staff change(s) within 72 hours.
 - b. Description of the services to be provided onsite.
 - c. Description of the staffing plan including the following:

- i. Number, function, and general schedule of staff supporting residents and operations.
 - ii. Staff certification requirements.
 - iii. Staff training programs.
 - iv. Staff to resident ratios.
 - v. Roles and responsibilities of all staff.
 - vi. The name and contact information for at least one organization member located off-site.
- d. Rules and/or code of conduct describing resident expectations and consequences for failing to comply. At minimum, the code of conduct shall be consistent with state law prohibitions and restrictions concerning the following:
- i. Possession and use of illegal drugs onsite.
 - ii. Threatening or unsafe behavior.
 - iii. Possession and use of weapons.
- e. A fire safety plan reviewed and approved by the Bellevue Fire Department confirming fire department access.
- f. A safety and security plan reviewed and approved by the Clyde Hill Police Department including protocols for response to the facility and to facility residents throughout the city. The safety and security plan shall establish a maximum number of permitted Clyde Hill Police Department response calls to the facility. Any Clyde Hill Police Department call(s) to the facility exceeding the maximum threshold established in the safety and security plan shall be considered a violation of this chapter and the facility operator will be fined in accordance with YPMC 1.08.030.
- g. A plan for avoiding potential impacts on nearby residences including a proposed mitigation approach (for example, a Good Neighbor Agreement Plan) that addresses items such as noise, smoking areas, parking, security procedures, and litter.
- h. Description of eligibility for residency and resident referral process.

**Business of The Town Council
Town of Yarrow Point, WA**

8.5

February 14, 2023

Presentation by Councilmember Scandella on January 19 meeting of the Bellevue Chamber of Commerce: "Healthcare in Crisis"	Proposed Council Action: N/A
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Presented by:	Councilmember Carl Scandella
Exhibits:	Councilmember Scandella's Notes on Bellevue Chamber of Commerce Luncheon Meeting: "Healthcare in Crisis"

Summary:

The Bellevue Chamber of Commerce hosted a panel discussion entitled "Healthcare in Crisis" over lunch on January 19 at the W Hotel. The panel included heads of Overlake Medical Center (Michael Marsh), Harborview Medical Center (Sommer Kleweno Walley), Evergreen Health (Chris Bredeson) and moderator Cassie Sauer (CEO, Washington State Hospital Association). Councilmember Scandella attended the event and will report to the Council.

Recommended Action:

NOTES ON BELLEVUE CHAMBER OF COMMERCE LUNCHEON MEETING:
"HEALTHCARE IN CRISIS"
Carl Scandella

Time and date: 12:00- 1:00 pm, January 18, 2023

Venue: W Hotel ballroom, 10455 NE 5th Place, Bellevue WA

This event was a regularly scheduled monthly lunch program of the Bellevue Chamber of Commerce in a ballroom with 12 tables, each seating 10 people. At the head of the ballroom the panelists and moderator were seated on an elevated stage.

Cassie Sauer, President and CEO of the Washington State Hospital Association provided a brief introduction and served as moderator of the panel discussion. The panelists included Michael Marsh, President and CEO of Overlake Medical Center; Sommer Kleweno Walley, CEO of Harborview Medical Center; and Chris Bredeson, COO of Evergreen Health.

Michael Marsh started the panel discussion by saying that the hospitals in the state of Washington are in financial crisis and expect to lose billions of dollars this year. He then went on to list the causes of the crisis and the other CEOs chimed in. According to the CEOs the contributing factors include the following:

- First, nearly all of the hospitals in the State of Washington are non-profits. As such they must treat Medicare patients and patients unable to pay for health services,

A large fraction of hospital patients, about 60%, are on Medicare. The hospitals are reimbursed for treating these patients at about 80% of their actual costs of treatment. Medicare rates have not changed in 20 years.

Insurance reimbursements have also lagged behind actual costs of treatment.

- Second, the covid pandemic forced hospitals to stop doing elective procedures. These procedures, especially joint transplants, are among the most profitable hospital services.

As a result of cessation of elective procedures, hospitals let some of their staff go. Now, with elective procedures resuming, hospitals are unable to reacquire staff. Traveling nurses cost much more than the regular nurses they replace.

Nurse salaries are a major part of hospital budgets. The fact that the supply of nurses is limited and the hospitals are having to pay more for their services is a key element to the crisis.

One solution that has been implemented in California and is being considered elsewhere is for the state to define minimum nurse staffing levels for hospitals. All of the CEOs

thought this was a bad idea because the hospitals need flexibility to deal with different situations.

- Third, replacing expensive hospital equipment, such as CT scanners and NMR imaging, is occurring more frequently because the technology advances rapidly. Where these devices used to have a service life of 7 years or more, now they may need to be replaced every other year.

The event ended promptly at 1:00 pm. I was disappointed that there was no time allowed for Q and A.

Prior to the lunch event about ten of the nearby assisted care facilities had tables in the lobby set up with people ready to answer questions about their facility. Several offered invitations to lunch at their facilities. Some also offered to sponsor events in our community (e.g. Erin Helly, Ageas Living Bellevue Overlake- cell 510-508-6489 erin.helly@aegisliving.com; Sunrose Senior Living Redmond 425-401-0300; Karen Nelson, Koelsch Communities- cell 425-531-3867 KLN@koelschsenior.com).

CHAMBER LUNCH: HEALTHCARE IN CRISIS



Presented by



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MODERATOR

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Harborview Medical Center

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CLOSING

Joe Fain
President & CEO
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