

ITEM 3: Approval of the March 13, 2025, Meeting Minutes

Approval of the March 2025 Executive Board Meeting minutes

Attachments

- A. Summary Minutes to Executive Board Meeting March 13, 2025

A REGIONAL COALITION FOR HOUSING (ARCH)

Summary Minutes to Executive Board Meeting

Date March 13, 2025
9:00 am

Hybrid Meeting

Board Members Present:

David Pyle, City of Sammamish, Director of Community Development
Alison Van Gorp, City of Mercer Island, Director of Development Services
Debbie Bent, City of Kenmore, Community Development Director
Jason Greenspan, City of Bothell, Community Development Director
Steve Burns, City of Medina, City Manager
Nathan McCommon, City of Bellevue, Deputy City Manager
Scott Pingel, City of Newcastle, City Manager
Jared Hill, City of Woodinville, Intergovernmental Affairs Coordinator
Kurt Triplett, City of Kirkland, City Manager
Sunaree Marshall, King County, Housing, Homelessness, and Community Development – Dep Div Director

Board Members Absent:

Wally Bobkiewicz, City of Issaquah, City Administrator
Carol Helland, City of Redmond, Director of Planning and Community Development
Maia Knox, City of Clyde Hill, Assistant City Manager

Others Present:

Lindsay Masters, ARCH, Executive Director
Diana Heilman, ARCH, Senior Administrative Assistant
Susie Levy, ARCH, Local Housing Programs Manager
Patrick Tippy, ARCH, Investments Manager
Ian Lefcourte, City of Redmond, Senior Planner
Linda Abe, City of Bellevue, Affordable Housing Planning Manager
Hannah Bahnmler, City of Bellevue, Senior Affordable Housing Planner
Mary-Jayne Walker, ARCH, Housing Program Administrator
Jessie Tang, ARCH, Housing Program Administrator
Raquel Rodriguez, ARCH, Program Coordinator
Adam Matza, ARCH, Rental Program Officer
Jen Davis Hayes, City of Issaquah, Economic & Housing Development Manager

1. CALL TO ORDER

Chair Nathan McCommon called the meeting to order at 9:02 am.

2. APPROVAL OF THE AGENDA

Chair McCommon asked if there were any changes to be made to the March 13, 2025, agenda. No changes were made.

Vice-Chair Bent moved to approve the agenda. David Pyle seconded the motion. All voted in favor of approving the agenda for March 13, 2025.

3. APPROVAL OF THE MINUTES

Chair McCommon asked if there were any corrections to the meeting minutes for February 13, 2025. No corrections were requested.

David Pyle moved that the meeting minutes for February 13, 2025, be approved. Vice-Chair Bent seconded the motion. All voted in favor of approving the meeting minutes for February 13, 2025.

4. PUBLIC COMMENT – none

5. REPORTS / ACTION ITEMS

5a) ARCH Public Comment Procedures – Updated Draft

Executive Director Masters reminded the Board that a draft for Public Comment policy had been brought to the February meeting. The Board's feedback had been adopted including a limitation of 10 minutes for the total public comment time. The Bellevue City Attorney had reviewed the draft, no changes to ARCH's bylaws are necessary to implement the policy. The policy is now before the Board for final approval.

Chair McCommon expressed appreciation for the policy that had been created and confirmed that the policy would be posted on the website.

Kurt Triplett noted that, if necessary, in the future the policy could be revised.

Chair McCommon called for a motion to approve the Public Comment Policy. Scott Pingel moved to approve the Public Comment Policy. Kurt Triplett seconded the motion. All voted in favor of approving the Public Comment Policy.

5b) ARCH Homeownership Program Briefing and Buyer Selection Policy

Chair McCommon introduced the presentation on Homeownership, noting that the staff would be looking for guidance on a possible revision of policy. The presentation was turned over to Director Masters.

Director Masters introduced Susie Levy, Local Housing Programs Manager, and Mary-Jayne Walker, Homeownership Program Officer. Director Masters noted that the last briefing on the Homeownership program was 2022. The purpose of the briefing at this meeting was to bring the Board up to date on the program and review some proposed policy changes. An explanation of shared equity programs and inclusionary housing was given. ARCH communities were early adopters of inclusionary zoning, which paved the way for ARCH's Homeownership Program. The program mission is "To increase access to homeownership by creating and preserving affordable homes for low-and-moderate income households in East King County".

The program work was shared through the following steps:

- Cities establish affordable housing requirements for new developments.
- Affordable housing requirements are incorporated into agreements with developers.
- ARCH works with the developer to price and market homes, selected qualified buyers and record resale covenants for each home.
- ARCH stewards the homes to keep them affordable.

ARCH has 820 homes in the program and maintains less program staff than most shared equity programs. The program had created 1,729 homeownership opportunities and \$53,000,000 in equity realized by ARCH homeowners. It was estimated that there was \$100,000,000 in appreciation to be realized in current ARCH homes.

Kurt Triplett asked if they could talk about the tax breaks that people get for homeownership. Director Masters agreed. Director Masters turned the presentation over to Susie Levy, Local Housing Programs Manager.

Susie Levy shared the current focus areas of the Homeownership program, including:

- Access – lender partnerships; homebuyer education; community engagement events; expanding market reach
- Production – new developments; middle housing policies
- Preservation – price/income rebalancing; expiring covenants; foreclosure prevention; homeowner support; compliance monitoring and enforcement

Susie shared that there had been 316 homes sold from 2022 to 2024. In 2025 there would be an additional 24 units coming into the program. In 2022 – 2024 the average household income of ARCH homebuyers was \$80,204. The average household size was 2.7. Susie shared the testimonial of a family that purchased an ARCH home. This family had been ARCH renters before buying an ARCH home.

Kurt Triplett asked if there was any information on how long an ARCH homeowner tended to stay in an ARCH home before they sold. Director Masters said they would obtain that data and share it in the future.

Jason Greenspan asked if it was difficult to maintain income information for the mailing list registrants. Susie Levy clarified that ARCH did not maintain income information for people on the mailing list. Income was self-reported when a person applied for a specific house and then verified if they were selected to be a buyer.

Director Masters summarized the Homeownership Program Policies as established in 2019. The buyer selection policy was to be the focus of this meeting. Context was shared on recent State policy direction and research findings on homeownership, and the continued impacts of historic housing discrimination. Key data points that illustrated those findings were displayed. There was declining Black and Latino homeownership rates in Washington state. Recommendations from the study were being implemented in the Covenant Homeownership Program, which has made 250+ loans since July 2024. None were in ARCH jurisdictions likely due to the cost of housing.

Director Masters shared additional analysis of ARCH's Buyer Selection Policy, along with preliminary recommendations to improve the existing selection process. Director Masters opened the floor for questions.

Kurt Triplett thanked the staff for a helpful analysis of a complex policy. Kurt asked how the 2 points for income would be broken down. Director Masters said you would either get 2 points or none. Kurt commented that perhaps there should possibly be a break point for getting 1 point as opposed to 2 points. Kurt had no issues with the point for living in King County and thought the point for the Covenant Homeownership program was creative. Kurt thought the lottery made sense in removing some complexity.

Chair McCommon added an alternative for the income points to consider greater down payment assistance for the lower income threshold. Director Masters said they did have a down payment assistance program, and they had been in a back-and-forth exchange about how to make it work better for ARCH buyers such as improving the interest rate attached to the program. The draft policy is written to be able to accommodate priority for people served by other homeownership/downpayment programs. ARCH will work to determine how they could best align with those programs.

Jason Greenspan expressed support for the proposed policies. He pointed out that half of Bothell was not located in King County and that was where the greatest need for affordable housing was. They had 20,000 individuals in Snohomish county. They asked if something specific for Bothell could be carved out of the policy.

Sunaree Marshall expressed appreciation for the thoughtfulness of the approach.

Director Masters presented the proposed next steps. This would be brought back to the Board in May. It appeared there was general support. It would be important to give people a lot of notice about the change in policy. They would track the results and report back.

5c) Federal Impacts on Housing

Director Masters noted that there was a lot of information in the packet so they would just touch on a few key things particularly in regard to changes that they might want to make to their programs if some of the impacts played out on a larger scale. The impacts were mostly funding related impacts.

There were short term impacts to the LIHTC (Low Income Housing Tax Credit) program primarily in reduced credit pricing and volatility in credit pricing. They had already experienced a drop in pricing from the last tax reform bill that reduced corporate tax rates. Further tax legislation could reduce that pricing even more, or even eliminate LIHTC.

Section 8 was very important to every state in the nation for housing low-income people. A loss to that income stream would be devastating. King County Housing Authority (which serves the entire county outside Seattle and Renton) served over 14,000 households last year through this program.

Other grant programs like CDBG and HOME could be impacted, ARCH receives a small portion of CDBG funds. HOME funds go to projects that ARCH helps fund. There are efforts to eliminate the Section 4 Capacity Building Grant program due to the fact that it was trying to build capacity in organizations and communities of color. ARCH partners have benefitted from that program. There was concern about getting timely National Environmental Policy Act reviews for projects involving CDBG or other federal resources. Delays could throw current projects off track.

Broader impacts could be caused by increased tariffs, potential changes to FHA mortgage insurance premiums, interest rates, and weakened enforcement of Fair Housing Enforcement. Potential cuts to Social Security and Medicaid could increase housing instability and lead to an increase in eviction, homelessness and foreclosures. Affordable housing is also dependent on collaborations with other public agencies that could be affected by federal cuts, such as Sound Transit.

How ARCH positions their investments locally may need to be adjusted. The plan to build more affordable housing faster would be much more challenging with changes in the federal government. It was more important to consider what could be sustained on a local level. There were no specific recommendations at that time, but there might be in the future.

Sunaree Marshall said that the County was tracking similar issues and their ability to provide leverage and support. They would need to determine how to stabilize what they had. A lot of their federal funding went to operations of permanent supportive housing though not any projects on the east side. Medicaid was fundamental to how most of the behavioral health system was paid for.

6) OTHER BUSINESS

6a) Verbal Updates

- **April 10 ARCH Investment Event** – Director Masters encouraged the Board to register for the event and to invite their Councilmembers.
- **Governance Study** – The Alford Group has been chosen as the consultant. They were recommended by Bothell. The contract was in process.
- **Hiring** – One vacant position has been filled, the new hire would start March 31. Other positions are in the interview process.

- **ARCH Legislative Priorities** – Director Masters passed the topic to Susie Levy. Susie reminded the Board that ARCH’s first legislative priority was to increase funding for affordable housing at the state and local level through local options such as REET, and provided a recap of specific bills including HB 1791, HB 1694, HB 1867, and HB 2027. The other main priority ARCH adopted was to reduce barriers and support local efforts to build more affordable housing, and specifically supporting faith community partnerships. HB 1859 did not pass.

Kurt Triplett shared that Kirkland got a bill passed with Senator Kuderer two years ago that allowed King County to give a tax break to anyone to deduct the value of an ADU if the person who owned it, rented it to someone at 60% AMI or below. However, it required the King County Council to set up the program. Kirkland engaged with the King County assessor and Claudia Balducci to proceed to develop that program sometime this year. It would be voluntary for each jurisdiction.

7) ADJOURNMENT

The meeting was adjourned at 10:30 am.