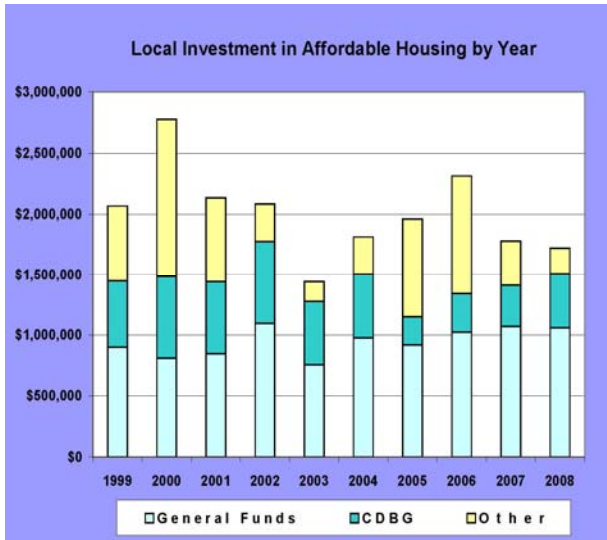
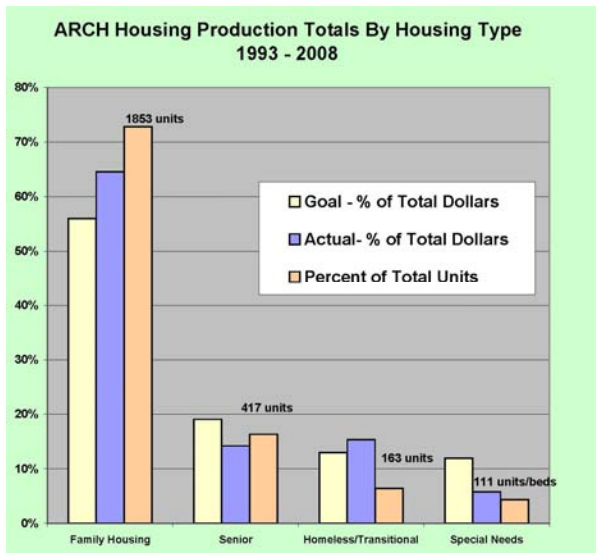


ARCH HOUSING TRUST FUND: DIRECT ASSISTANCE FOR AFFORDABLE HOUSING



Other:: Includes fee waivers, land donations, developer fees



TRUST FUND PROJECTS IN PROGRESS

- ◆ St Andrews: St Margaret's Site
- ◆ Housing Resources Grp: Kenmore Village
- ◆ YWCA Issaquah Family Village

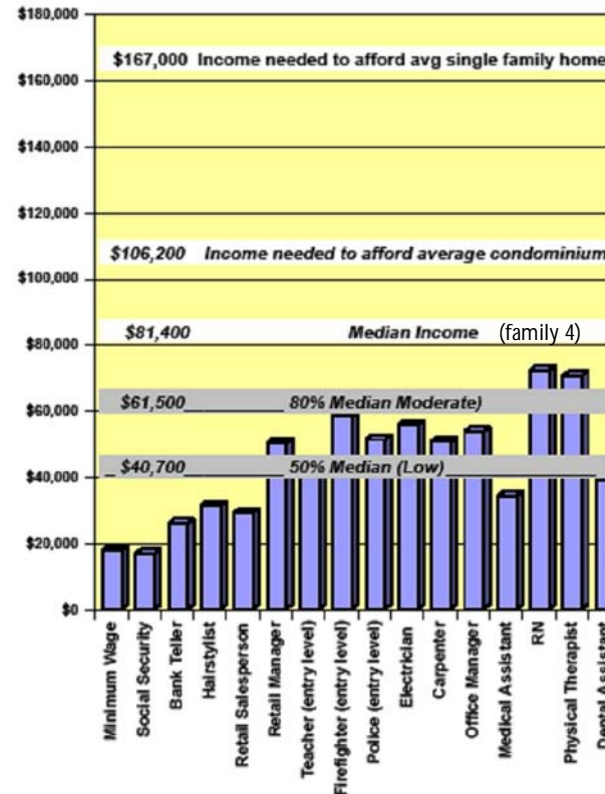
RESULTS

- ◆ Since 1993, ARCH cities have provided over \$31 million of local resources to fund approximately 2,500 affordable housing units, and leveraging over \$300 million of public and private funds
- ◆ In recent years general fund contributions have been relatively stable at about \$1 million annually. CDBG funds have seen a decrease from earlier in the decade. 'Other' resources have fluctuated over time - they are often one-time contributions (e.g. land donations, fee waivers).
- ◆ The trust fund has a goal to fund a variety of types of housing over time, with a primary goal being housing for families. Generally this goal has been achieved, though currently there is interest in encouraging senior and special needs housing to better meet our long term goals.

TRENDS

- ◆ Resources from the County and State are expected to be lower in the next few years, which will be offset to some extent from federal stimulus funds targeted to affordable housing. Many of these funding sources are emphasizing projects that are 'shovel ready'.
- ◆ A number of recent studies reinforce the range of housing needs in our communities including: the 'Bellevue Human Services Needs Update'; 'Communities Count: Social and Health Indicators Across King County'; the Joint Centers for Housing Studies, 'Strengthening our Workforce and our Communities through Housing'; The CEH and East King County Plan to End Homelessness; and 'Age Wave Maxes out Affordable Housing'.

SAMPLE SALARIES RELATIVE TO 2008 COUNTY MEDIAN INCOME



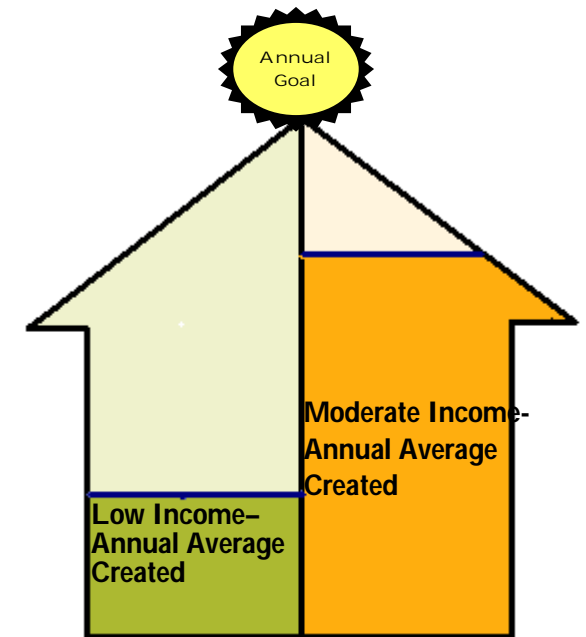
ARCH Members

Beaux Arts Village Bellevue Bothell Clyde Hill Hunts Point
Issaquah Kenmore Kirkland Medina Mercer Island Newcastle
Redmond Sammamish Woodinville Yarrow Point King County

www.archhousing.org (425) 861-3677



East King County 2009 HOUSING UPDATE



UPDATE ON

- ◆ Overall Housing Market Conditions
- ◆ Progress toward Local Housing Goals
- ◆ Housing Trust Fund



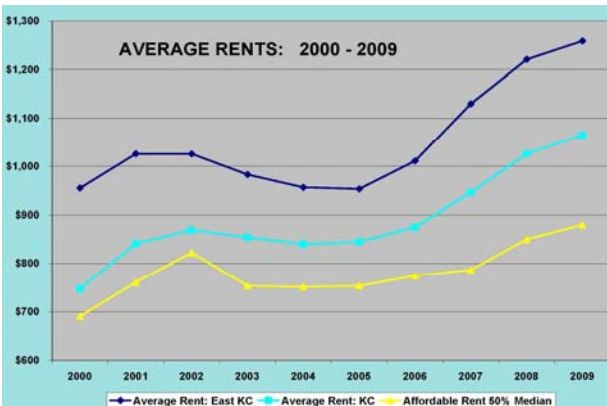
A Regional Coalition for Housing

OVERALL HOUSING MARKET CONDITIONS



TRENDS IN HOUSING COSTS

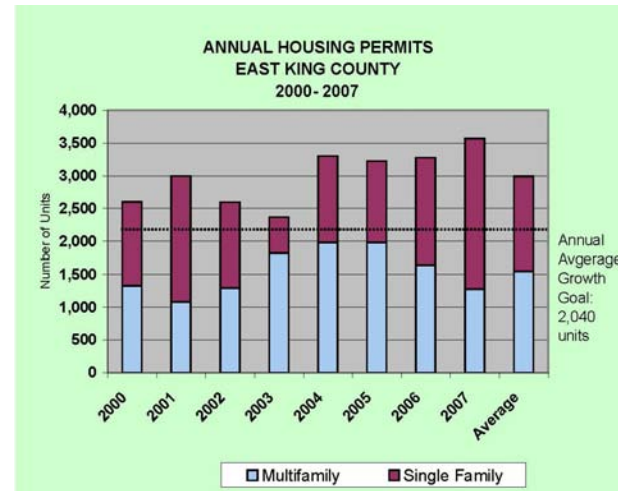
- After a 5 year period of housing price increases significantly higher than income increases, in the last part of 2008, housing prices saw a decline of about 10% from 1st to 3rd quarter of 2008.
- East KC rents have been historically higher than countywide rents, and well above what households at 50% of median income can afford.
- Vacancy levels have increased 2% in the last year. Most complexes now offer move-in concessions. Rents are expected to flatten out or decrease in the coming year.



CURRENT TREND: FORECLOSURE

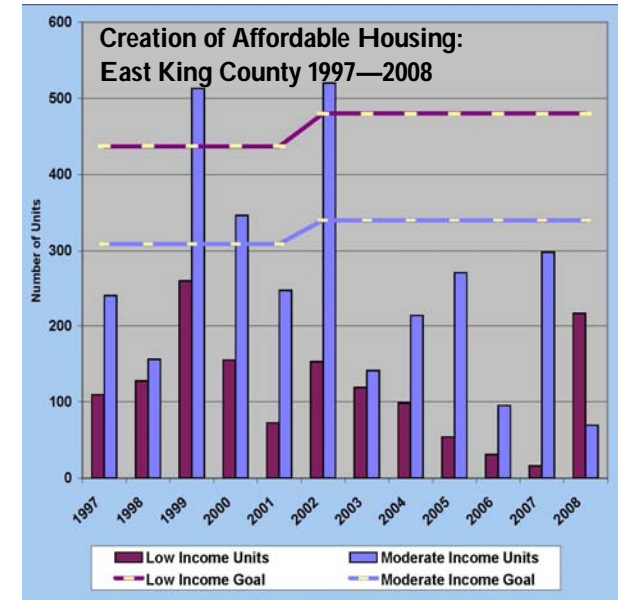
- In the recent past, foreclosures were frequently a result of people entering into loans they could not afford at their income level. Recently, the primary reasons shifted to loss of income due to job loss or resulting from medical issues.
- In February 2009 there were 146 properties listed in foreclosure and 445 in preforeclosure for the entire ARCH area.
- In February 09 Washington State ranked 24 among the states in terms of foreclosures, well behind Nevada, Arizona, California, Florida, Ohio and Michigan.
- On the Eastside foreclosure rates are generally at or below the median point for the state and King County. The highest rates for the State are in and around Tacoma.

PROGRESS TOWARD LOCAL HOUSING GOALS



OVERALL HOUSING PRODUCTION

- Permit activity remained strong in 2007, but is expected to be down significantly in 2008. Average annual permit activity is still on track to meet 20 year growth goals.
- Over 50% of capacity for future housing growth in East King County is planned for town centers/mixed use areas.



CREATION AFFORDABLE HOUSING

- While results vary by city, overall, cities in East King County are close to achieving their goals for 'moderate income' housing, but are only achieving about 30% of their goal for 'low income' housing.
- 'Moderate' income housing has been created through a combination of direct assistance (~25%), regulatory incentives (~25%), and the private market (~50%). Low income housing has almost always required public assistance.
- In the last few years more cities have been expanding use of regulatory incentives. Also in recent years, the market has not produced the same amount of moderate income units as in the past. This could suggest the increased importance of expanding the use of regulatory incentives to help achieve local affordability goals.

Creation of Affordable Housing by City: 1993-2008

	Low Income (50% Median)			MODERATE INCOME (80% Median)					
	Number Units	Annual Average	Annual Goal	Direct Assistance	Regulatory Incentives	Market	Total Units	Annual Average	Annual Goal
Bellevue	872	54	110	582	321	810	1,713	106	78
Bothell	90	6	19	59	2	647	708	51	13
Issaquah	181	11	44	1	134	133	268	17	31
Kenmore	112	11	25	84	23	51	158	16	18
Kirkland	200	13	60	108	133	158	399	25	42
Mercer Island	59	4	16	2	202	10	214	14	11
Newcastle	20	2	9	1	10	0	11	1	7
Redmond	288	18	99	376	196	239	811	51	70
Sammamish	6	1	42	0	0	0	0	0	30
Woodinville	71	5	20	1	33	153	187	13	14
Clyde Hill	2.1	0.18	0.23	1.0	3.0	0.0	4.0	0.33	0.16
Medina	2.1	0.18	0.3	0.2	1.0	0.0	1.2	0.10	0.24
Hunts Point	0.3	0.03	0.01	0.0	0.0	0.0	0.0	0.00	0.01
Yarrow Point	0.3	0.02	0.3	0.0	0.0	0.0	0.0	0.00	0.22
Beaux Arts	0	0	0	0	0	0	0	0	0
TOTAL	1,903	126	445	1,215	1,058	2,201	4,474	294	315