



Kitsap Regional Coordinating Council

The Kitsap Peninsula is the home of sovereign Indian nations, namely the Suquamish and Port Gamble S'Klallam Tribes.

Land Use Planning Policy Committee (PlanPOL) Meeting Agenda

Tuesday, April 18, 2023 | 1:30 p.m. – 3:00 p.m.

Remote Meeting Information:

- Link to the video conference and view the screen share:
<https://us06web.zoom.us/j/86885116722>.
If you are joining by video, please add your affiliation after your name.
- To participate by phone only: Dial 253-215-8782 and enter the Webinar ID: 868 8511 6722
- To participate in/view webinar in person: The webinar will be streamed in Chambers at the Norm Dicks Government Center at 345 6th Street, Bremerton, WA 98337.

Meeting Objectives:

- Approve Kitsap's methodology for developing housing allocations.

1. Welcome, Introductions, and Meeting Objectives

2. Committee Updates and Action Items

- Old Business
 - **ACTION:** Approve the draft [March 21 PlanPOL Meeting Summary](#) Page 2

3. New Business and Work in Progress

- Review [memo re: housing allocation process and methodology](#) Page 7
- Review [draft housing allocations](#) Page 9
 - Determine recommendation for May KRCC Board meeting discussion on housing allocations
- Next steps in the [housing allocation process](#) Page 11

4. Administrative Agenda

- Standing Item: Affordable housing round-robin
- Legislative session updates and intel from PlanPOL members
- Next PlanPOL meeting is Tuesday, June 20, 2023

5. Wrap Up

- Summarize key decisions and action items

6. Public Comments

7. Adjourn



**Kitsap Regional Coordinating Council (KRCC)
Land Use Policy Committee (PlanPOL) Meeting Summary**

March 21, 2023 Meeting | 12:30 – 2:00 PM

Draft v. 3/27/23

Key Decisions		
<ul style="list-style-type: none">PlanPOL approved the September 20, 2022 PlanPOL meeting summary as final.		
Action Items	Who	Status
1. Post the approved September 20 PlanPOL summary on the KRCC website.	KRCC Staff	Complete
2. Review Puget Sound Regional Council's draft report that recommends certification of the Kitsap Countywide Planning Policies and share any concerns by Friday, March 24.	PlanPOL Members	Complete

A. WELCOME AND INTRODUCTIONS

Sophie Glass, KRCC Program Director, welcomed participants to the meeting. See Attachment A: Meeting Attendees for a list of PlanPOL members and observers.

B. COMMITTEE UPDATES AND ACTION ITEMS

September 20, 2022 PlanPOL Meeting Summary: PlanPOL members reviewed the meeting summary from the September 20 PlanPOL meeting. The summary was approved with no comments or revisions. KRCC staff will post the approved summary on the KRCC website.

Puget Sound Regional Council (PSRC) Recommended Certification for Kitsap's Countywide Planning Policies (CPPs): Liz Underwood-Bultmann shared that PSRC provides reviews of CPPs, local Comprehensive Plans, and other plans and prepares reports to the PSRC Board to document these plans. PSRC provided its draft report regarding the Kitsap CPPs to KRCC for a courtesy review. In this draft report, PSRC recommended certification of the CPPs. In addition to recommending certification, the draft report includes PSRC's additional recommendations for KRCC to consider in future CPP updates or in Comprehensive Plans.

PlanPOL members did not raise any comments or questions regarding PSRC's draft report. Sophie noted that PlanPOL members can share any concerns about the draft report with PSRC or KRCC staff by Friday, March 24.

C. NEW BUSINESS AND WORK IN PROGRESS

Housing Allocation Presentation: Sophie shared a slide deck summarizing LUTAC's work in developing a draft approach for housing allocations. The slide deck is available in the [March 21 PlanPOL packet, page 14](#).

Heather Wright shared that every county in the Puget Sound region has been working on this challenging question. LUTAC members met in person at the Suquamish Tribal Council Chambers in early March and, after many meetings grappling with this question, determined that using the Department of Commerce's Methodology A to allocate housing need would be the soundest approach. Eric Baker emphasized that using Methodology A would present the least risk of litigation.

PlanPOL members asked the following questions:

- Mayor Erickson asked why Poulsbo's current estimated supply of permanent supportive housing is zero.
 - LUTAC and PlanPOL members explained that Poulsbo's existing low-income housing does not meet the definition of permanent supportive housing. To qualify as permanent supportive housing, the housing must include wraparound services, such as coordination for medical care, mental health care, addiction treatment, transportation to offsite services, and other supportive services.
 - Mayor Wheeler shared that the only current permanent supportive housing project in Kitsap County is the recently opened Pendleton Place in Bremerton. Building Pendleton Place took significant time and funding from many agencies working together.
- Mayor Putaansuu asked what the consequences would be if these allocations are not met.
 - LUTAC members explained that Commerce staff indicated that jurisdictions are not responsible for building housing; they are only responsible for providing capacity in zoning codes and removing barriers to development of housing that meets allocated housing needs.

PlanPOL members shared the following considerations:

- Implementation of meeting housing needs:
 - PlanPOL members noted that jurisdictions are not currently receiving enough funding from federal or state sources to create permanent supportive housing that meets the indicated housing needs.
 - Mayor Putaansuu emphasized that the state requires KRCC to allocate the total housing need among jurisdictions. KRCC cannot reduce this total countywide number.
 - Commissioner Bozeman noted that growth in housing units requires more funding for infrastructure and capital facilities such as roads, parks, and schools.
 - Chairman Forsman emphasized the scale of the housing need in the community. He noted that meeting this need will be a challenge that requires creativity, and that social service infrastructure is an important piece of permanent supportive housing.
- Methodology for allocating housing needs:
 - Councilmember Hytopoulos expressed concern with using an approach to allocating housing that is not tailored to individual jurisdictions. She expressed concern that agreeing to allocate this much housing could put jurisdictions at risk for future challenges if the housing needs are not met. She shared that the Bainbridge Island City Council will discuss housing allocations at the March 21 Council meeting.
 - Mayor Wheeler expressed support for using Methodology A and recommended including a footnote that states that the purpose of the housing allocations is for

jurisdictions to ensure capacity is available and impediments to developing housing are removed.

- Mayor Erickson noted that while she plans to approve the approach of using Methodology A, it will be untenable to implement because of funding constraints.
- Mayor Putaansuu shared that he is supportive of using Commerce's Methodology A to allocate housing need for the reasons that LUTAC members brought up. He agreed that building housing is beyond jurisdictions' control and would require significant funding from outside sources, but that jurisdictions can take the step of planning for and facilitating housing development.
- Commissioner Garrido noted that she defers to Kitsap County staff's analysis of which allocation approach to take.

Sophie thanked PlanPOL members for their feedback and noted that LUTAC will discuss this feedback during their March 23 meeting. During the April 18 PlanPOL meeting, PlanPOL will have the opportunity to move draft housing allocations forward to the KRCC Board.

D. ADMINISTRATIVE AGENDA

Affordable Housing Round Robin:

Mayor Putaansuu shared that Port Orchard is working on a Housing Action Plan. After the Housing Action Plan is complete, Port Orchard intends to modify its Multi-Family Tax Exemption (MFTE) program to ensure that the City's policies include meaningful incentives to building housing.

Mayor Erickson shared that the application for the Nordic Cottage project, which is being funded by the City of Poulsbo, was formally submitted. After it goes through the application process, the City will put out a Request for Proposal for construction. Poulsbo has also submitted an application for federal vouchers for tenants. Mayor Erickson hopes that the project will break ground by the end of 2023. The City owns the plans for this project, and can replicate it throughout the community in the future.

Mayor Wheeler shared that he will participate in a panel at the League of Women Voters Affordable Housing Summit. He also shared that the City of Bremerton has contributed over \$3 million to subsidized affordable housing projects and updated zoning to allow duplexes, triplexes, townhomes, and accessory dwelling units in parts of the City.

Councilmember Hytopoulos and Councilmember Quitslund shared that Bainbridge Island is working on its Housing Action Plan and Winslow Subarea Plan. A significant focus of the Subarea Plan is accommodating affordable housing. The Bainbridge Island City Council has also expressed strong support for building affordable housing on the soon-to-be abandoned police station near the ferry terminal.

Eric Baker shared that Kitsap County is exploring an MFTE program in Silverdale and Kingston. The County is focusing on both affordable housing and market-rate housing. The County is using federal funding for several projects in Bremerton. The County has also released debt owed to it by Housing Kitsap, which will allow for greater investment by Housing Kitsap into the community.

Legislative Session Updates:

PlanPOL members discussed SB 5466, which relates to zoning near certain transit assets. Mayor Putaansuu noted that all cities in Kitsap County have expressed opposition toward the bill, and that the Association of Washington Cities also has concerns.

Mayor Wheeler expressed the need for Kitsap jurisdictions to find an approach for working with the legislature and Governor's office in an effective way that prevents the continuous introduction of bills that could be harmful to cities. He also expressed appreciation for the good work that legislators do to bring funding and other support to jurisdictions. Sophie noted that, per the KRCC Executive Committee's direction, KRCC will invite legislators to the June KRCC Board meeting. This will be an opportunity for KRCC members to discuss concerns, gratitude, and ideas with legislators.

Next PlanPOL Meeting: Sophie shared that the next PlanPOL meeting will be on April 18, 2023.

E. PUBLIC COMMENTS

There were no public comments at this meeting.

F. ADJOURN

The meeting adjourned at 1:50 p.m.

Attachment A: Meeting Attendees

NAME	JURISDICTION (ALPHABETICAL)
PLANPOL MEMBERS	
Councilmember Kirsten Hytopoulos	City of Bainbridge Island
Councilmember Jon Quitslund	City of Bainbridge Island
Mayor Greg Wheeler	City of Bremerton
Commissioner Cary Bozeman	Port of Bremerton
Commissioner Charlotte Garrido	Kitsap County
Allison Satter	Naval Base Kitsap
Mayor Rob Putaansuu	City of Port Orchard
Mayor Becky Erickson	City of Poulsbo
Chairman Leonard Forsman	Suquamish Tribe
OBSERVERS	
HB Harper	City of Bainbridge Island
Jennifer Sutton	City of Bainbridge Island
Ellen Schroer	City of Bainbridge Island
Garrett Jackson	City of Bremerton
Arne Bakker	Port of Bremerton
James Weaver	Port of Bremerton
Eric Baker	Kitsap County
Joe Morrison	Kitsap Economic Development Alliance
Ed Coviello	Kitsap Transit
Marla Powers	Port Gamble S'Klallam Tribe
Julie Raymond	Port Gamble S'Klallam Tribe
Nick Bond	City of Port Orchard
Jim Fisk	City of Port Orchard
Heather Wright	City of Poulsbo
Erika Harris	Puget Sound Regional Council
Liz Underwood-Bultmann	Puget Sound Regional Council
Alison O'Sullivan	Suquamish Tribe
Crystal Koch	<i>No affiliation listed</i>
STAFF	
Sophie Glass	KRCC Technical Director
Pauline Mogilevsky	KRCC Land Use Program Coordinator



Kitsap Regional Coordinating Council

Memo

To: Kitsap Regional Coordinating Council (KRCC) Land Use Planning Policy Committee (PlanPOL)

From: KRCC Staff

Date: April 18, 2023

Subject: LUTAC's Recommended Housing Allocations

Background

House Bill 1220, which the Washington State Legislature passed in 2021, instructs jurisdictions to “plan for and accommodate housing affordable to all economic segments of the population.” To comply with this new requirement, KRCC must allocate housing needs across its jurisdictions, based on the Washington State Department of Commerce’s countywide projections of housing needs.

Jurisdictions are not expected to directly provide this housing; their role is to remove barriers to housing development through zoning and other regulations, and to ensure that capital facilities planning considers future housing needs.

Process to Date

Between January and March 2023, KRCC LUTAC met twice monthly to discuss potential approaches for allocating housing. LUTAC held a joint session with the KRCC Board to receive initial guidance from KRCC Board members on the methodology. LUTAC explored two methodologies developed by Commerce (Methodology A and Methodology B), and extensively discussed potential approaches to develop a unique, Kitsap-specific Methodology C.

Commerce’s Methodologies

Commerce developed [the following methodologies](#) for allocating projected countywide housing needs to individual jurisdictions:

- Methodology A assumes all housing needs are accommodated through new housing production.
- Methodology B assumes all jurisdictions accommodate equivalent shares of total countywide housing need at each income level, proportional to their size, in the projection year.

LUTAC’s Recommendation

After exploring these alternatives over several months, LUTAC concluded that using Commerce’s Methodology A would be the best option for Kitsap based on the following considerations:

- Commerce recommended that communities use Methodology A if they do not create their own methodology.
- A custom methodology would require considerable time and cost, which would affect jurisdictions’ timelines for developing Comprehensive Plans.
- The Department of Commerce’s models/methodology are not available to modify to develop an adjusted methodology that is based on Commerce’s existing methodologies.
- Using Commerce’s Methodology A is the most legally defensible approach.
- KRCC will be required to revisit the housing allocations in five years, and, if needed, will have the opportunity to make changes to the allocations or methodology.

LUTAC’s recommended draft housing allocations, based on Commerce’s Methodology A, are included on the next page.

Next Steps

At the April 18 KRCC PlanPOL meeting, PlanPOL members have the opportunity to move LUTAC's recommended draft housing allocations forward to the KRCC Board.

The KRCC Board will have the opportunity to review the draft housing allocations during the May 2 Board meeting and vote on whether to incorporate the housing allocations into the Kitsap Countywide Planning Policies (CPPs) during the June 6 Board meeting. If the KRCC Board approves, the allocations will be added as an appendix to the CPPs. This change to the CPPs would not require full ratification from City or Tribal Councils.

Appendix F: Housing Allocation Through 2044

The purpose of these housing allocations is for jurisdictions to provide capacity for housing and to remove barriers to developing housing. This table lists the housing units needed for each income level, as defined by the percentage of Area Median Income.

			Permanent Housing Needs by Income Level (% of Area Median Income)							
			0 – 30%							
		Total	Non-PSH*	PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	Emergency Housing** Needs (Temporary)
Unincorporated Kitsap County	Estimated Housing Supply (2020)	69,987	1,802	8	7,335	21,046	13,531	7,815	18,450	153
	Allocation (2020-2044)	14,498	2,768	1,214	2,376	1,996	1,028	1,012	4,103	612
Bainbridge Island city	Estimated Housing Supply (2020)	11,251	331	0	331	788	1,150	2,073	6,578	0
	Allocation (2020-2044)	1,977	377	166	324	272	140	138	560	83
Bremerton city	Estimated Housing Supply (2020)	18,351	1,346	106	3,030	8,960	2,496	879	1,534	316
	Allocation (2020-2044)	9,556	1,824	800	1,566	1,316	678	667	2,705	403
Port Orchard city	Estimated Housing Supply (2020)	6,209	288	0	619	2,051	1,246	717	1,288	11
	Allocation (2020-2044)	4,943	944	414	810	680	351	345	1,399	209
Poulsbo city	Estimated Housing Supply (2020)	5,116	356	0	422	1,062	915	594	1,767	1
	Allocation (2020-2044)	1,977	377	166	324	272	140	138	560	83

*"Permanent supportive housing" (PSH) is subsidized, leased housing 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. Source: RCW 36.70A.030.

***"Emergency housing" means temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless that is intended to address the basic health, food, clothing, and personal hygiene needs of individuals or families. Emergency housing may or may not require occupants to enter into a lease or an occupancy agreement. Source: RCW 36.70A.030.

Data Source: Housing For All Planning Tool, Methodology A, Washington State Department of Commerce, March 1, 2023

Housing Allocations – What Next?

