



Kitsap Regional Coordinating Council

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

KRCC Board Meeting Agenda

v. 4/27/2023

Date: May 2, 2023

Time: 12:30 PM – 2:30 PM

Place: This meeting will be held primarily in person with virtual options.

In-Person option: Norm Dicks Government Center Chambers, 345 6th Street, Bremerton, WA 98337

Virtual option (if needed):

- To participate in the video conference remotely and view the screen share:
<https://us06web.zoom.us/j/88278378408>. 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: 882 7837 8408

This meeting will be recorded via Bremerton Kitsap Access Television (BKAT).

1. Welcome and Introductions

2. Chair's Comments

3. Presentation from Kitsap Public Utility District on Broadband Efforts

- A. [KPUD presentation slides](#) Page 3

4. Consent Agenda (vote)

- A. **ACTION:** Approve the [2/7/2022 KRCC Board Meeting summary](#) Page 14
- B. Review the January and March Executive Committee meeting summaries (Reference Packet page #2, page #6)
- C. **ACTION:** Approve allowability of [KRCC expense vouchers 23-1 through 23-7](#) dated 11/30/22–4/12/23 totaling \$74,414.50 Page 22

5. Full Discussion/Action Items

- A. Review the Draft Housing Allocations
- i. [Housing allocations cover memo](#) Page 23
 - ii. [Draft housing allocations as a Countywide Planning Policies \(CPPS\) appendix](#) Page 25
 - iii. [Next steps](#) following housing allocation adoption in June Page 27
 - iv. Discussion
- B. Discuss Legislative Roundtable at [June 6 KRCC Board meeting \(draft agenda\)](#) Page 28
- i. Review [Memo: Legislator topics and RSVPs for June 6](#) Page 30
 - ii. Update on RSVPs from legislators
 - iii. KRCC Board members review discussion topics
- C. Discuss Economic Development focus for October 6 Board meeting
- i. Review [Memo: Planning for Economic Development Board meeting](#) Page 31
- D. Assessment Audit for 2020 and 2021
- i. [Assessment Audit Exit letter](#) Page 32
 - ii. [Exit Recommendations handout](#) Page 35
 - iii. **ACTION:** Approve reclassifying KRCC reporting from GAAP (accrual) to cash-basis

The KRCC Board meeting agendas are available prior to the meeting date online at www.kitsapregionalcouncil.org and available in large-print format upon request. If you need accessibility accommodations for this public meeting, please contact Sophie Glass at (360) 337-4960 or via email at sglass@kitsapregionalcouncil.org by 12 PM on the Wednesday before the meeting.



Kitsap Regional Coordinating Council

6. KRCC Committee Reports

- A. Land Use Items
 - i. Update on the Puget Sound Regional Council's certification of Kitsap CPPs
- B. Transportation Items
 - i. Updates on federal transportation rebalancing efforts

7. PSRC Board and Committee Reports

- A. PSRC Committees and Boards Report (*Reference Packet page #11*) and other updates*
 - Updates from the PSRC Executive Board
 - Updates from the Growth Management Policy Board
 - Updates from the Transportation Policy Board
 - Updates from the Economic Development District Board

8. Corridor Committee Reports*

9. KRCC Emergent and Countywide Issues

Report out on new and upcoming land use policies or work of interest*

10. Staff Report

- A. [KRCC Income Statement](#)*

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11. Public Comment

12. KRCC Board Questions, Concerns, and Announcements

13. Adjourn

* Standing agenda item

KITSAP PUBLIC UTILITY DISTRICT BROADBAND UTILITY

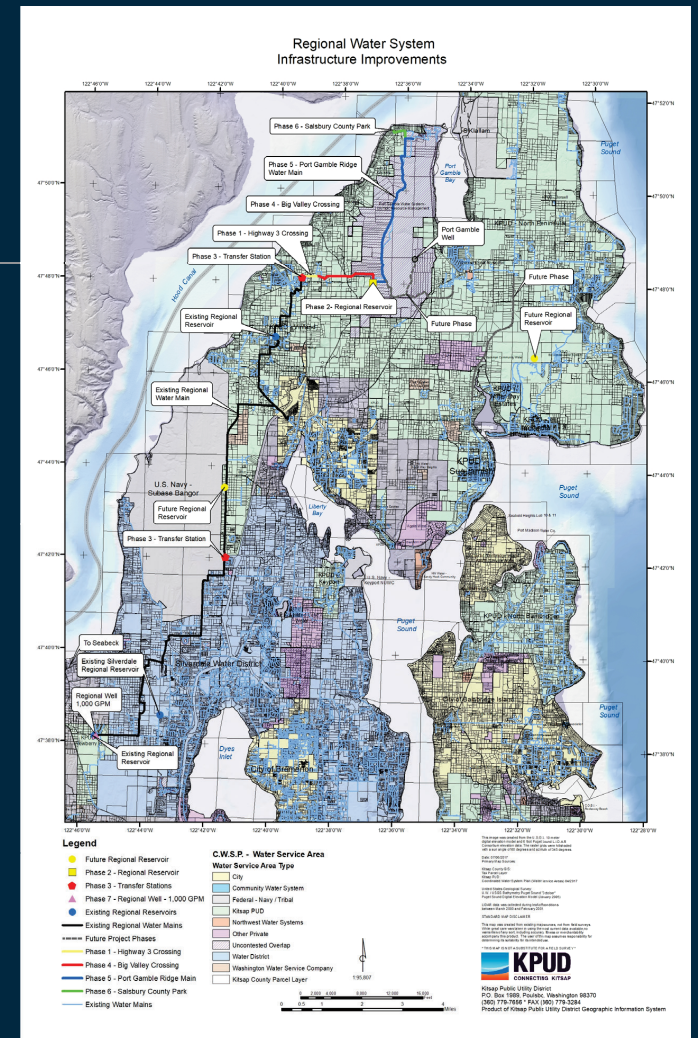
**KRCC
MAY 2, 2023**



Kitsap Public Utility District

STRENGTHENING KITSAP COMMUNITIES THROUGH RESPONSIVE AND SUSTAINABLE UTILTY SERVICES

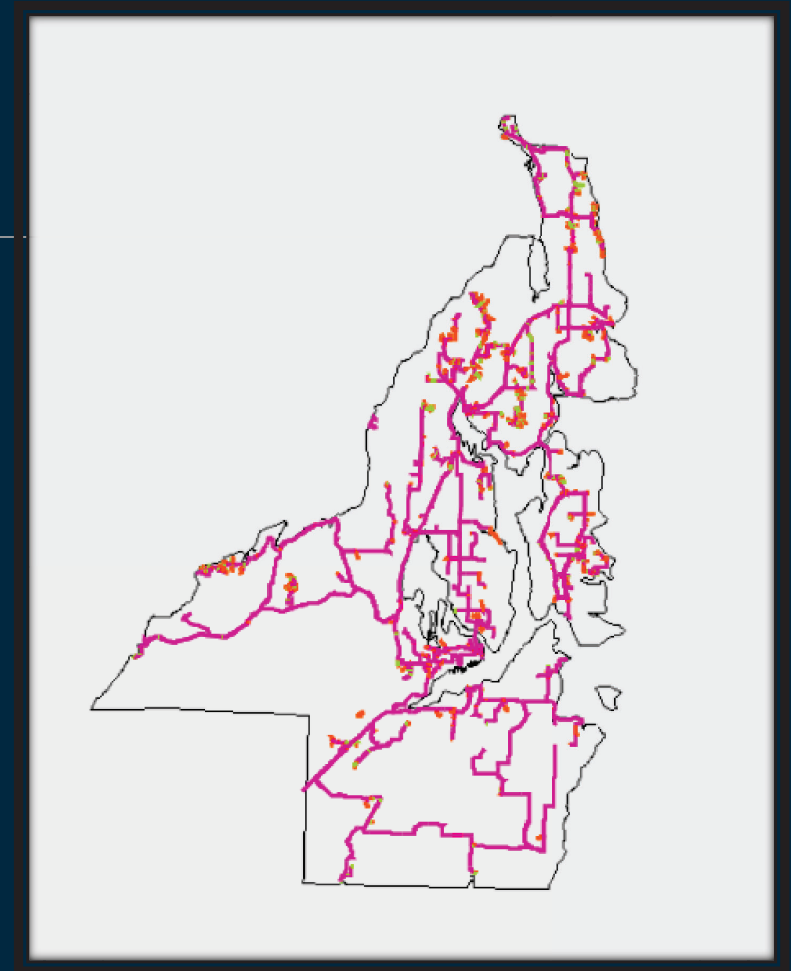
- Water Resource Management
 - All of Kitsap County
- Water Operations
 - Serving ~16,000 locations
- Wastewater Treatment Plant Port Gamble
- Broadband services
 - Business Customers – 365
 - Residential Customers - 1650



Kitsap PUD - Telecom

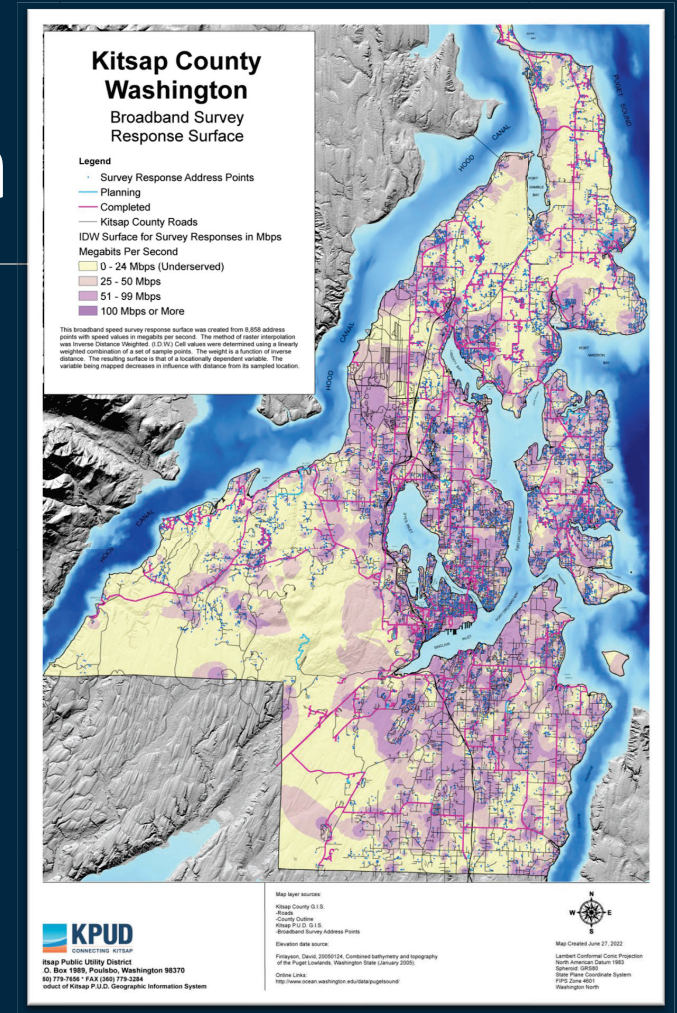
- KPUD telecom utility was created using long term bonds
 - Built a figure 8 backbone infrastructure in Kitsap County
 - Connecting Schools, Libraries and other Anchor institutions
- Carrier transport, Kitsap Naval Bases, Cell Tower backhaul, Small business customers

Committed to maintaining a community owned, high-speed, open-access, Fiber Optic Network



Residential Fiber Expansion

- 2015 Launched the COS Service Zones as a Survey tool for the county.
- 2016 Installed distribution cabinets and established the residential network – separate from the express network
 - Operate an Active Ethernet Solution
- Currently connected to 1650 Residents
- Middle Mile Expansion
 - Reach areas of unserved or underserved residents
 - Yellow areas on Heat Map



Broadband Access for Kitsap County

- High Speed and Quality Network to provide Kitsap County Residents Access to Broadband Services
- All Fiber Network
 - Provide a 'future proof' solution for residents in unserved or underserved areas
- KPUD is Wholesale only operating an Open Access Network
 - Multiple service providers and services to choose from
 - Competition drives better pricing and services
- All Residences are installed with equipment to provide a 1 Gbps connection
 - Upload and Download speeds are symmetrical
- Can upgrade in the future (10Gbps or higher) with an exchange of Equipment only
- As a public entity we pass the costs for construction to the end user.

KPUD Open Access Commitment

- Competition
 - Better Services and Prices
- Online marketplace
 - Kpud.broadbandportal.net
- KPUD can provide retail service, but is committed to an open-access model
 - Service Level Agreement
 - Speeds
 - Availability
 - Net Neutrality

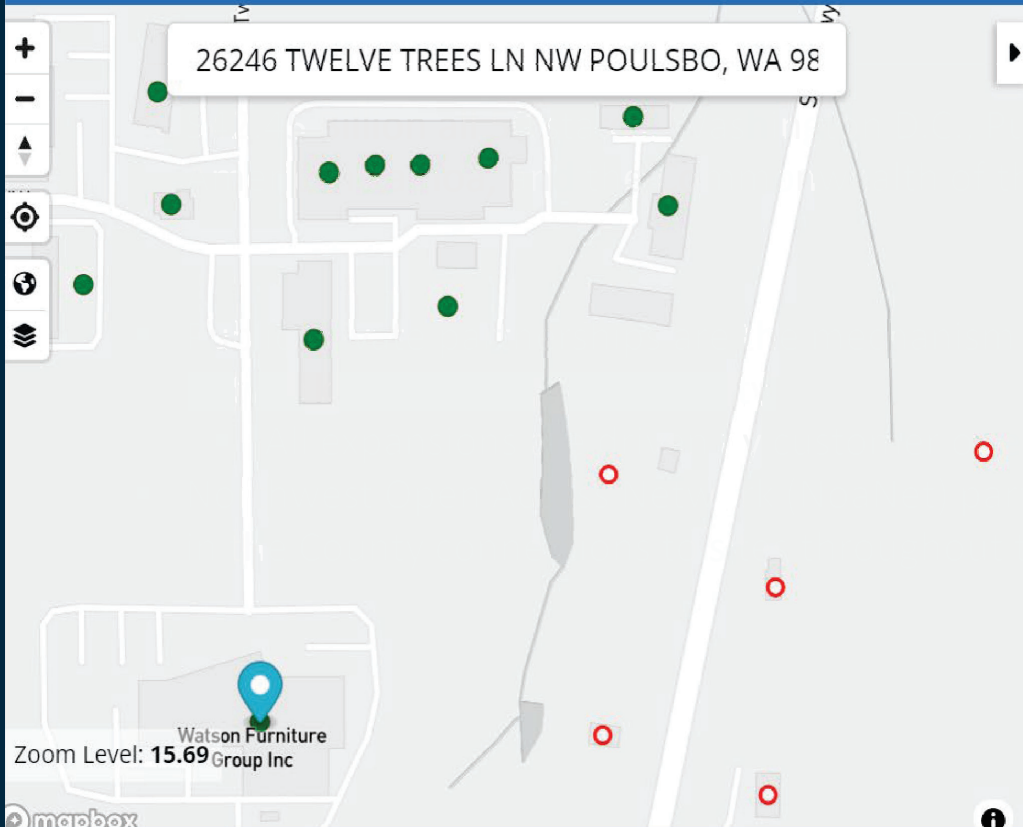
Provider	Service Name	Monthly Cost	Start Cost	Contract Period	Cancellation Notice Period
NET253	High Capacity 100Mbps Residential Service, Monthly	\$64.50	\$100.00	0 months	1 month
Advanced Stream	High Speed Internet - 100/100 No Contract!	\$64.95	\$0.00	0 months	1 month
TELEBYTE NORTHWEST	Residential 100	\$65.00	\$125.00	0 months	0 months
iFIBER	High Speed Internet - 100/100 No Contract!	\$69.95	\$108.95	0 months	0 months
NOPDC	Fiber 100/100	\$69.95	\$0.00	0 months	0 months

FCC Broadband Equity, Access and Deployment (BEAD) program

- \$42.45 Billion
 - all 50 states, Washington D.C., Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.
- All Funding through the Washington State Broadband Office - WSBO
- New Broadband Maps determine eligible Broadband Servicable Locations
 - Carriers Reported Service locations and available service
 - Government Agencies – Bulk Challenges on Broadband Service Locations
 - Individuals – Challenges on Location and Services
 - Carriers, Government Agencies – Bulk Challenges on Services

Check your Address....

<https://broadbandmap.fcc.gov/>



Broadband

Type Residential
Technology All Wired
Speed 100/20 Mbps or greater
Data As Of Jun 30, 2022 (Last Updated: 11/17/22)

Residential | Business

Availability Challenge

Provider	Technology	Down (Mbps)	Up (Mbps)	Chall.
▶ Comcast Corporation	Cable	1200	35	
▶ Hughes Network Systems, LLC	GSO Satellite	25	3	
▶ Lumen Technologies, Inc.	Copper	0.2	0.2	
▶ Space Exploration Holdings, LLC	NGSO Satellite	100	10	
▶ Viasat, Inc.	GSO Satellite	30	3	

What's next?

- Water
 - Regional Infrastructure
 - Consolidation
- Wastewater
 - Pilot Project – reduce contaminants in surface and ground water from septic systems
- Broadband
 - County Funded Node Project
 - Fiber-To-The-Home Project in Hintzville
 - Support all residents having access to quality and affordable broadband services.

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Kitsap Regional Coordinating Council

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DRAFT KRCC Joint Board and Land Use Technical Advisory Committee Housing Allocation Study Session Summary

v. 3-9-2023

Date: **February 7, 2023**

Time: 12:30 am – 2:30 pm

Hybrid meeting with in-person participation at Norm Dicks Government Center Chambers and remote participation via Zoom

Decisions		
<p>The KRCC Board approved:</p> <ul style="list-style-type: none"> • The December 6 Board meeting summary • The 2023 KRCC Board and Committee Roster • The 2023 PSRC Boards and Committee Rosters • The 2022 Annual Annexation Report 		
Actions	Who?	Status
Post approved KRCC rosters to KRCC website	KRCC Staff	Complete
Update Port of Bremerton appointments to PSRC rosters and post approved rosters to KRCC website and send to PSRC staff	KRCC Staff	Complete
Post Annual Annexation report to KRCC website	KRCC Staff	Complete
Continue to develop housing allocations methodology and draft allocations for each jurisdiction	LUTAC members	In Progress

1. Welcome and Introductions

KRCC Chair/Bremerton Mayor Greg Wheeler welcomed the Executive Board and Land Use Technical Advisory Group (LUTAC) members to the hybrid meeting.

2. Chair’s Comments

3. Consent Agenda

- Approve the December 6 Board meeting summary

Commissioner Gelder moved to approve the December 6 Board meeting summary. Councilmember Deets seconded. The summary was approved as drafted without objection.

- Review the November and December Executive Committee meeting summaries

Executive Committee meeting summaries for November and December are available in the Board meeting reference packet.

4. Full Discussion/Action Items

- Approve the KRCC Board and Committee Roster for 2023

Commissioner Strakeljahn moved to approve the KRCC Board and Committee Roster for 2023. Commissioner Garrido seconded. The KRCC roster was approved as drafted without objection.

- Approve the PSRC Board and Committee Roster for 2023

Commissioner Strakeljahn moved to approve the PSRC Board and Committee Roster for 2023. Director Clausen seconded. The PSRC roster was approved without objection.

Note: after the meeting, the Port of Bremerton provided minor updates for their appointments that will be incorporated into the final roster.

- Approve the 2022 Annual Annexation Report

Mayor Erickson moved to approve the 2022 Annual Annexation Report. Councilmember Deets seconded. The annexation report was approved as drafted without objection.

5. Presentation of Housing Allocations by the Department of Commerce

- Overview of HB 1220 and Housing Allocations

Department of Commerce representative Laura Hodgson presented an overview of the requirements created by HB 1220 and the guidance created by Department of Commerce. The presentation included an overview of the housing allocations projection tools developed by Department of Commerce and outlined examples of two methods jurisdictions within a county could use to distribute projected housing needs among them and affirmed that counties have flexibility to develop their own method for allocating projected growth across their county's jurisdictions. New guidance from Commerce will be coming out in March. [Presentation slides](#) and [a video recording of the meeting](#) are available on the KRCC website on its [Board meeting materials](#) page.

Anne Fritzel, also from Department of Commerce, joined Laura Hodgson and the two together addressed questions from the Board and LUTAC members. Questions and responses included the following.

Question – What are the professional backgrounds of the advisory group helping to shape Commerce's guidance?

- Response – At least half have a local land use planning background. The team also includes people with expertise as demographers and emergency housing professionals and representation from several cities, several counties, Association of Washington Cities (AWC), Washington State Association of Counties (WSAC), Washington Low Income Housing Alliance and Futurewise. Commerce also developed a listserv and communicated with all the planning agencies, planning departments and advisory committees in the Puget Sound Region and held 30-day comment periods for each stage.

Question – What in the methodology determines the designated income bands of Area Median Income (AMI)?

- Response – Commerce's projection methodology is detailed in a 30-page document available on Department of Commerce website. Income band information will also be explained in the upcoming guidance. The methodology attempts to address the following goals: eliminating cost burden for renters paying more than 30% of income for housing; eliminating

homelessness; and accounting for remaining growth based on income buckets derived from that County's existing demographics.

Question – Does Commerce have any guidance for cities over 6,000 that may be affected by proposed legislation such as HB 1110 (Middle Housing Bill) currently being debated in the legislature?

- Response – The biggest likely impact of these bills is on land capacity analyses. Commerce will add information to the guidance about how they would affect zoning capacity and write specific recommendations about how to adjust assumptions and calculations if the bills pass. Please inform Commerce if there are bills in addition to HB 1110 that KRCC Board members would like guidance regarding. In the summer, changes to the Washington Administrative Code will be drafted, offering opportunities to revisit these topics with specific information based on what the legislative session produces.

Question – Why do this work now if changes may be coming from the legislature? Why not stop and wait to see what the legislature does? How much reworking will we need to do and whether or not we wait, will we be able to meet our comprehensive planning deadlines for 2024?

- Response – The housing allocations are a refinement of the Housing Element as specified within the Growth Management Act. Jurisdictions might choose to put off some aspects of their land capacity analyses, but jurisdictions can move ahead and create their housing allocations now.

6. Discussion of Countywide Housing Allocations

- Overview of policy considerations for a new housing allocation methodology

Sophie Glass presented on behalf of LUTAC members on the work LUTAC has done so far related to developing KRCC's methodology for distributing housing allocations among Kitsap jurisdictions. [Presentation slides](#) and [a video recording of the meeting](#) are available on the KRCC website on its [Board meeting materials](#) page. The presentation outlined some factors other Puget Sound Region counties are using to develop their own methodologies to reflect their county's specific circumstances, and described some of the factors LUTAC is discussing to create a methodology that reflects Kitsap's specific circumstance and KRCC's goals to plan for fair, achievable, and smart growth in the region.

- Discussion: What other considerations should be part of Kitsap's housing allocation methodology?

Members suggested that Kitsap's methodology should also consider factors such as

- Role of the military in Kitsap and military housing
- Assessing and incorporating existing affordable housing inventory (with a holistic approach including housing vouchers, rental information, etc.)
- Full accounting for housing costs, including utility costs, mortgage, insurance
- Linkages to transit
- Options that include repurposing single-family housing for wider range of uses (e.g., boarding houses)

- Discussion: How can the housing allocations account for racial/social equity?

Members discussed ideas for how Kitsap's methodology could consider racial and social equity factors, including:

- Accounting for the region's diversity and demographic spread (e.g., Tribal nations and Bremerton)
- Siting more affordable housing in desirable areas with opportunity
- Looking at historic development patterns
- Recognizing the value of mixed income developments

Department of Commerce closed by sharing suggestions for incorporating equity considerations, including:

- Looking into inequities past planning processes have built into existing land use and zoning patterns.
- Recognizing exclusionary patterns created by practices such as redlining and land use frameworks such as historically single-family zones and neighborhoods with uniform lot sizes.
- Undoing some of those patterns by creating more opportunities for diversification of lot sizes and of housing types (duplexes, triplexes, accessory dwelling units, multi-family) in more areas so people at different income levels have housing options in a broader range of neighborhoods.
- Preventing displacement of people when redevelopment occurs.
- Thinking about where investment has and has not occurred and how to bring a different approach and resources to areas of disinvestment.

The KRCC Board also discussed related issues and questions, including:

- Access to financing programs (e.g., Suquamish Tribe example)
- Down payment assistance
- Condominium laws
- Expanding ownership opportunities, subsidies
- Affordable housing initiatives and projects
- Housing programs and social services
- Housing options for different needs and cultural norms (e.g., multigenerational, workforce)

The Department of Commerce then fielded questions from KRCC Board members:

Question - Persons per household has a big impact on how many households and land are needed to accommodate expected population. How to determine appropriate persons per household numbers?

- Response – Commerce is using current household size from the US Census data and the OFM. Projections of future household size were projected based on age-bracket population projections and the rate of homeownership in those age brackets. This will be detailed in the guidance.

Question – What would it look like to pause to wait for the legislature to complete its current session?

- Response – If housing allocation numbers are not adopted by June, it will make it difficult for planners to complete the housing elements of their jurisdictions' comprehensive plans on time for public comment in early 2024 and adoption by December 2024. Missing adoption timelines would make those delayed jurisdictions less competitive for grants.
- Discussion – Acknowledging that big legislative changes might necessitate revision and reassessment of timelines later, one KRCC Board member leaned toward pausing the process. Members from three other jurisdictions expressed their desire to continue moving forward with the current process on the current timeline to try to meet the deadlines, understanding that big changes might necessitate a pause or reassessment later.

- Next Steps

Informed by this conversation with the Board and current and upcoming guidance from Department of Commerce, LUTAC will continue to work to develop Kitsap's methodology for housing allocations and then apply that methodology to housing allocations for Kitsap jurisdictions. KRCC's Planning Policy Committee (PlanPOL) will oversee this work and will review the methodology in March and draft allocations numbers in April so that the KRCC Board can review draft allocations numbers in May and can hold a vote in June on adoption of the housing allocations as an Appendix to the Countywide Planning Policies. This timeline facilitates the timely incorporation of these numbers into jurisdictions' comprehensive plan drafts.

7. PSRC Board and Committee Reports

- Growth Management Policy Board: A housing-focused public opinion survey report is available on the PSRC website.
- Transportation Policy Board: Recent discussions have emphasized highway safety issues. PSRC just received a \$4.3 million grant focused on safety. Climate change action has also been a frequent topic of discussion on the Transportation Policy Board and other PSRC committees. Discussion includes seeking new funding mechanisms for consideration. Vehicle miles traveled fees are a likely possibility.
- Economic Development District Board: The Economic Development District Board is completing an industrial lands survey. Results will be out mid-March or early April. They are also working on putting together an event for the US Department of Commerce "Americas Tour" for 50 delegates from other countries coming to tour sites in the four-county region including at least a day in Kitsap.

8. Corridor Committee Reports

- Highway 104: Kitsap County is taking the lead for WSDOT on implementing the automated traffic management system funded through PSRC with engineering planned for 2023 and construction in 2024.
- Gorst Coalition: Gorst Coalition lobbyist is at work in Olympia. The legislature is considering pushing back funding for several years because of the workload backlog WSDOT is facing. The Gorst Coalition is planning a meeting, to be held a few weeks from now, date to be determined.

9. KRCC Emergent and Countywide Issues

No emergent issues were reported.

10. Staff Report

- KRCC Email Recovery

Service for KRCC staff email has been restored after a ransomware attack on the email provider. There is a gap of about 2 weeks of lost emails in December that will never be restored. All the rest is fully functional and all past email except for during the service gap has been recovered and archives restored.

- Income Statement

KRCC was efficient in time and resources and experienced some cost savings in 2022 from lack of travel expenses for much of the year due to COVID precautions. There is a carryforward of about \$58,000 from 2022 to 2023 in addition to the reserve fund of \$24,000.

11. Public Comment

An opportunity for public comment was offered. There were no public comments.

12. KRCC Board Questions, Concerns, and Announcements

Director Clausen and Mayor Wheeler are working to plan a “Power Summit” for Kitsap area officials to learn more about the Kitsap power grid and future energy needs in the region. Puget Sound Energy will be the major presenter at the first session, which will likely happen in mid-March.

There will be a change of command at Naval Base Kitsap in February. The Chair expressed thanks on behalf of the Board to Captain Richard Massie for his service with KRCC and Naval Base Kitsap.

13. Adjourn

The meeting adjourned at 2:30 PM.

Appendix A – Board Members in Attendance

Jurisdiction	Board Member	In Attendance?
Bainbridge Island		
	Councilmember J. Deets (V. Chair)	present
	Councilmember L. Schneider	present
Bremerton		
	Mayor G. Wheeler (Chair)	present
	Council Member D. Frey	
	Council Member M. Goodnow	present
Kitsap County		
	Commissioner R. Gelder	present
	Commissioner C. Garrido	present
	Commissioner K. Walters	present
Kitsap Transit		
	Director J. Clauson	present
Naval Base Kitsap		
	Captain R. Massie	present
	Allison Satter (alt.)	present
Port Gamble S'Klallam Tribe		
	Chairman J. Sullivan	
Port of Bremerton		
	Commissioner A. Strakeljahn	present
	Commissioner G. Anderson (alt.)	
	Commissioner C. Bozeman (alt.)	
Port of Kingston		
	Commissioner M. McClure	
	Commissioner S. Heacock (alt.)	
Port Orchard		
	Mayor R. Putaansuu	
	Council Member J. Rosapepe (alt.)	present
	Council Member Mark Trenary (alt.)	
Poulsbo		
	Mayor B. Erickson	present
	Council Member E. Stern	present
Suquamish Tribe		
	Council Chair L. Forsman	present
	Council Member J. Mills (alt.)	
Other		
WSDOT	George Mazur	present
WSDOT	Ashley Carle (alt.)	
WSF		
Dept. of Commerce		

Appendix B – Non-Board-Member Participants

Affiliation	Name
KRCC Land Use Technical Advisory Committee (LUTAC)	
Kitsap County	Eric Baker
Port of Bremerton	Arne Bakker
Port Orchard	Nick Bond
Port Orchard	Jim Fisk
Bainbridge Island	HB Harper
Naval Base Kitsap	Nicole Leaptrot-Figueras
WA Dept of Commerce	Catherine McCoy
Port Gamble S’Klallam Tribe	Marla Powers
Bremerton	Andrea Spencer
PSRC	Liz Underwood-Bultmann
Poulsbo	Heather Wright
Other Attendees	
PlanPOL member – Bainbridge Island	Councilmember Kirsten Hytopoulos
TransTAC member – Kitsap County	David Forte
WA Dept of Commerce	Ted Vanegas
Hawk's Nest Ventures, Inc.	Brandon Wieschhaus
City planner – Bremerton	Garrett Jackson
KRCC Facilitation Team	
KRCC Program Lead	Sophie Glass
KRCC Administrative Coordinator	Cheryl Klotz
KRCC Transportation Program Lead	Claire Wendle
KRCC Land Use Program Lead	Pauline Mogilevsky
Presenters	
WA Dept of Commerce	Laura Hodgson
WA Dept of Commerce	Anne Fritzel

Consent Agenda

To: KRCC Board

From: KRCC Executive Committee

Subject: Approval of Vouchers

In Brief: The KRCC Executive Committee has authority to approve payment of KRCC expenses. The KRCC Executive Committee recommends that the KRCC Board approve the following expenses for allowability.

Voucher Number	Date of Invoice/Expense	Description	Amount
23-1	11/30/22	Legislative Reception Venue rental and catering at the Point Casino	\$2,922.30
23-2	1/1/2023	AWC member Dues	\$300.00
23-3	1/1/2023	RMSA Insurance	\$3821.00
23-4	1/11/2023	Triangle invoice for December (2022) services	\$11,919.23
23-5	2/9/2023	Triangle invoice for January services	\$18,013.54
23-6	3/9/2023	Triangle invoice for February services	\$19,061.31
23-7	4/12/2023	Triangle invoice for March services	\$18,377.12
		TOTAL	\$74,414.50



Memo

To: Kitsap Regional Coordinating Council (KRCC) Board

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)							Emergency Housing** Needs (Temporary)
			0 – 30%		>30- 50%	>50- 80%	>80- 100%	>100- 120%	>120%	
		Total	Non- PSH*	PSH						
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



Kitsap Regional Coordinating Council

**Tentative 2023 Meeting Plan for
Land Use Technical Advisory Committee (LUTAC) and Land Use Policy Committee (PlanPOL)**
DRAFT v. 4/19/23

January 12 LUTAC Meeting	February 7 KRCC Board/LUTAC Housing Target Meeting	February 9 LUTAC Meeting	February 23 LUTAC Meeting	March 9 LUTAC Meeting	March 21 PlanPOL Meeting	March 23 LUTAC Meeting	April 13 LUTAC Meeting	April 18 PlanPOL Meeting
<p>Agenda Items:</p> <ul style="list-style-type: none"> Review slide deck and talking points for February 7 meeting Population and employment targets – baseline numbers KRCC staff present updated numbers for UGAs KRCC staff share out on social services inventory 	<p>Agenda Items:</p> <ul style="list-style-type: none"> Commerce presentation (foundations of housing targets) Policy implications to be aware of Methodologies <ul style="list-style-type: none"> A, B, C - pros and cons HAPs vs. housing targets Question: inputs to consider for local Kitsap method? 	<p>Agenda Items:</p> <ul style="list-style-type: none"> Population and employment targets – baseline numbers KRCC staff present on other counties' housing target approaches KRCC staff present comparison of Housing Needs Assessment numbers 	<p>Agenda Items:</p> <ul style="list-style-type: none"> Population and employment targets – baseline numbers Discuss methodology C approach Confirm March 21 PlanPOL meeting topics 	<p>Agenda Items:</p> <ul style="list-style-type: none"> Population and employment targets – baseline numbers Commerce guidance on implementation (invite Commerce) Confirm methodology to share with PlanPOL 	<p>Agenda Items:</p> <ul style="list-style-type: none"> Affordable housing round-robin Explain methodology Show methodology allocations 	<p>Agenda Items:</p> <ul style="list-style-type: none"> Discuss April PlanPOL agenda Continue refining housing allocations 	Cancelled	<p>Agenda Items:</p> <ul style="list-style-type: none"> Review draft housing allocations Affordable housing round-robin Confirm materials for May 2 KRCC Board meeting
April 27 LUTAC Meeting	May 2 KRCC Board Meeting	May 11 LUTAC Meeting	May 25 LUTAC Meeting	June 6 KRCC Board Meeting	June 20 PlanPOL Meeting	September 14 LUTAC Meeting	October 17 PlanPOL Meeting	November 9 LUTAC Meeting
<p>Agenda Items:</p> <ul style="list-style-type: none"> Final preparation for May 2 KRCC Board meeting 	<p>Agenda Items:</p> <ul style="list-style-type: none"> Review draft housing allocations <div style="border: 2px solid orange; padding: 5px; display: inline-block; margin-top: 10px;">WE ARE HERE</div>	Canceled	<p>Agenda Items:</p> <ul style="list-style-type: none"> Prepare for June 6 KRCC Board meeting Discuss candidate countywide centers 	<p>Agenda Items:</p> <ul style="list-style-type: none"> Vote on whether to adopt housing allocations as an appendix to the Countywide Planning Policies 	<p>Agenda Items:</p> <ul style="list-style-type: none"> Affordable housing round-robin 	<p>Agenda Items:</p> <ul style="list-style-type: none"> Revisit 2022 adjustments to population and employment targets 2024 KRCC Land Use Program development (see PSRC's CPP certification report for suggestions on Kitsap's CPPs) Check in about updating baseline number consistently across jurisdictions 	<p>Agenda Items:</p> <ul style="list-style-type: none"> Affordable housing round-robin 	<p>Agenda Items:</p> <ul style="list-style-type: none"> Annual annexation report PSRC RSC appointment See if there are updates from Commerce on 2023 legislation guidance



Kitsap Regional Coordinating Council

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

DRAFT KRCC Board Meeting Agenda

v. 4/20/2023

Date: June 6, 2023

Time: 1:45 PM – 3:15 PM

Place: This meeting will be held primarily in person with virtual options.

In-Person option: Norm Dicks Government Center Chambers, 345 6th Street, Bremerton, WA 98337

Virtual option (if needed):

- To participate in the video conference remotely and view the screen share: <https://us06web.zoom.us/j/88278378408>. 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: 882 7837 8408

This meeting will be recorded via Bremerton Kitsap Access Television (BKAT).

1. Welcome and Introductions

2. Chair's Comments

3. Consent Agenda (vote)

- A. **ACTION:** Approve the [5/2/2023 KRCC Board Meeting summary](#) Page
- B. Review the April Executive Committee meeting summary (Reference Packet page #)
- C. **ACTION:** Approve vouchers for **Month 2023**

4. Full Discussion/Action Items

- A. **ACTION:** Approve the draft [Housing Allocations](#) as an appendix to the Kitsap Countywide Planning Policies (CPP) Page
 - i. For reference: [Memo on LUTAC's Recommended Housing Allocations](#) Page
 - ii. For reference: Countywide Planning Policies [appendix approval process](#) Page

5. Discussion of 2023 Legislative Session with State Legislators (~75-90 minutes of meeting)

- A. Discussion questions
 - Placeholder
 - Placeholder
 - Placeholder

6. KRCC Committee Reports (compressed or skipped to make room for legislative discussion)

- A. Land Use Items
- B. Transportation Items

7. PSRC Board and Committee Reports

- A. PSRC Committees and Boards Report (*Reference Packet page #*) and other updates*

8. Corridor Committee Reports*

9. KRCC Emergent and Countywide Issues

The KRCC Board meeting agendas are available prior to the meeting date online at www.kitsapregionalcouncil.org and available in large-print format upon request. If you need accessibility accommodations for this public meeting, please contact Sophie Glass at (360) 337-4960 or via email at sglass@kitsapregionalcouncil.org by 12 PM on the Wednesday before the meeting.



Kitsap Regional Coordinating Council

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Report out on new and upcoming land use policies or work of interest*

10. Staff Report

A. [KRCC Income Statement](#)*

Page

11. Public Comment

12. KRCC Board Questions, Concerns, and Announcements

13. Adjourn

* Standing agenda item



MEMO: June 6 KRCC Board Meeting with State Legislators

Draft 4/27/2023

Background

In lieu of the Legislative Receptions held in recent years, KRCC has decided to invite state legislators representing Kitsap’s districts to join the Board for two of the scheduled 2023 KRCC Board meetings for focused discussions.

- At the June 6 Board meeting, 1:45pm to 3:45 pm, discussion will focus on the recent 2023 legislative session. This meeting will be held in hybrid format at Norm Dicks Center Chambers during KRCC’s scheduled Board meeting time.
- At the December 5, 2023 Board meeting, 2:15 to 4:15pm, discussion will focus on the upcoming 2024 legislative session. This meeting is anticipated to have a similar format and venue unless public health recommendations change.

Discussion Questions and Topics

Below are the questions that legislators can answer during the June KRCC Board meeting or via writing if they are unavailable. KRCC Chair Greg Wheeler will moderate this conversation.

1. What were your successes during the 2023 legislative session?
2. What did you want to achieve but could not during the 2023 legislative session?
3. Insight from Planning Directors on how land-use legislation impacts the staff who are responsible for implementing these laws.
4. How can local and state government best work together?
 - a. What are the roles and responsibilities of local government?
 - b. What are the roles and responsibilities of state government?

Format

- A roundtable-style discussion
- Seating format: Legislators and Board members sit alternating together.

RSVP

- Confirmed
 - Sen. Rolfes
 - Rep. Hansen
- Tentative
 - Sen. Randall
 - Rep. Caldier
 - Rep. Couture
 - Rep. Griffey
- Declined
 - Rep. Simmons
 - Rep. Hutchins
 - Sen. MacEwen



MEMO: October 3 Economic Development Focused KRCC Board meeting

4/27/2023

Background

The KRCC Executive Committee has recommended that the October 3 KRCC Board meeting be focused on economic development in the Kitsap region. The economic development portion of the agenda would comprise at least one hour of the regular KRCC Board meeting. Ideas for the agenda include inviting guest speakers from some of Kitsap’s larger employers and economic-development-focused entities to present updates and discuss economic development with the Board.

Commissioner Strakeljahn has expressed interest in working with Council Member Stern to develop the plan for this meeting.

The October 3 KRCC Board meeting, 1:45pm to 3:45 pm, is planned to be held in hybrid format at Norm Dicks Center Chambers.

Potential Presenters

The Executive Committee has suggested that updates from the following groups might be welcome contributions to this conversation on economic development in the Kitsap region.

As of 4/24/23, specific presenters have not yet been invited.

Group	Potential Presenters suggested
KEDA – Kitsap Economic Development Alliance	Joe Morrison
Naval Base Kitsap	Captain John Hale
Economic Development Director from Kitsap County	TBD
Economic Development Directors from Kitsap’s Cities	TBD
PSRC - Puget Sound Regional Council	Jason Thibedeau
GSP - Greater Seattle Partnership	Brian Surratt

Questions for the KRCC Board

During the May 2, 2023 KRCC Board meeting, Board members will be asked to respond to the following questions:

- What aspects of economic development are most relevant to discuss to KRCC Board members?
- Are there any tangible outcomes that the Board would like to see from the October 3 economic development-themed Board meeting?
- Are there other presenters who should be invited?
- What else should the Executive Committee keep in mind while planning this economic-development-themed KRCC Board meeting?



Office of the Washington State Auditor

Pat McCarthy

Exit Letter: Kitsap Regional Coordinating Council

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independence and transparent examinations of how state and local governments use public funds, and to develop strategies that make government more efficient and effective.

The purpose of this letter is to share our audit results with management and the Board. This letter is not your official audit report, which will be published on our website. You will receive a separate email with an alert that the report is available.

Audit Highlights

We would like to thank the Council for the rapid responses to our audit questions, and for their time and cooperation throughout the audit process.

The Council resolved prior audit recommendations in a timely manner.

We would like to commend the Council for ensuring compliance with annual report filing requirements.

About the Audit

We performed an assessment audit of Kitsap Regional Coordinating Council for the years 2020 and 2021. This is a risk-based audit wherein we review the annual reports Kitsap Regional Coordinating Council submitted to our Office. We typically perform assessment audits for governments that receive \$300,000 or less in annual revenues or for school districts with less than 250 full-time students. If the government exceeds the thresholds stated or does not comply with filing requirements, or other risk factors are present, then we could perform an onsite audit in the future. Further, if expenditures of federal awards are \$750,000 or more in any fiscal year, notify our Office because federal rules require the Council to receive a financial and federal audit for that year.

Audit Results

Based on the procedures performed, nothing came to our attention in the areas we reviewed that caused us to believe the Council did not substantially comply with applicable state laws, regulations, and its own policies, or had significant weaknesses in controls over the safeguarding of public resources. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Recommendations not included in the Audit Report

Exit Items

We have provided exit recommendations for management's consideration in a separate, attached document. Exit items address control deficiencies or non-compliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report. A summary of the exit items is attached to this letter.

Status of Prior Audit Recommendations

Brief Description	Resolved	Unresolved
<i>Exit Item – Annual Reporting</i>	X	

Additional Reminders

Below is a list of areas where small local governments might need additional guidance.

Board Compensation

Elected Official rate of pay is set by RCW, depending on your government type. Any Board member who receives less than the full allowable compensation must sign a waiver of compensation and file it with the government's secretary. Please let us know if you would like an example of this waiver.

Procurement and Public Works Projects

State law (RCW 39.04) requires competitive procurement for public works projects and purchases of supplies and equipment for most local government types. Laws that require specific methods of procurement differ by government type. Further, all public works contracted for by the government must meet state prevailing wage requirements by obtaining an "Affidavit of Prevailing Wages Paid" from the contractor unless the work is performed exclusively by the business owner.

For additional guidance on public works projects and procurement for your government type, please visit Municipal Research and Services Center of Washington's website: [Procurement and Public Works Requirements](#)

Credit Cards

The state Department of Enterprise Services has a Purchase Card Contract with US Bank that local governments are eligible to use. The card has no annual fee and offers annual rebates on purchases made using the card. For more information, go to [Purchase Card Guidance](#).

It is also important to note that having policies and procedures for credit/debit cards and charge account use is important for safeguarding the local government's funds. State law (RCW 43.09.2855) allows local governments to use credit cards. This law provides some guidelines for their use, which include adopting a system for their distribution, control, authorization, etc.

Working Together to Improve Government

Local Government Support Team

This team provides support services to local governments through the Budget, Accounting, and Reporting System (BARS), annual online filing technical assistance, and training on accounting, reporting and BARS. Our website and client portal offer many resources, including a client Help Desk that answers auditing and accounting questions, updated BARS Manuals, access to resources and recorded trainings, and other accounting and reporting resources. Additionally, this team helps with the online filing of your financial statements.

The Center for Government Innovation

The Center for Government Innovation of the Office of the Washington State Auditor offers services designed to help you assist the residents you serve, at no additional cost to your government. What does this mean? They provide expert advice in areas like building a Lean culture to help local governments find ways to be more

efficient, effective, and transparent. The Center also provides financial management technical advice, best practices, and resources. These can be accessed from the “Improving Government” tab of our website and can help you act on accounting standard changes, comply with regulations, protect public resources, minimize your cybersecurity risk and respond to recommendations in your audit. The Center also offers the Financial Intelligence Tool, better known as FIT, to help you assess and monitor your finances and compare your financial operations to similar local governments like you. You can email the Center for a personal training session to learn all the benefits using the FIT tool can provide. The Center understands that time is your most precious commodity as a public servant, and wants to help you do more with the limited hours you have. If you are interested in learning how the Center can help you maximize your effect in government, call (564) 999-0818 or send an email to Center@sao.wa.gov.

Finalizing Your Audit

Report Publication

Audit reports are published on our website and distributed via e-mail in a PDF. We also offer a subscription service that allows you to be notified by email when audit reports are released or posted to our website. You can sign up for this convenient service at: <https://portal.sao.wa.gov/SAOPortal/>

Audit Cost

In the entrance communication, we estimated the cost of the audit to be \$2,050, and actual audit costs will approximate that amount. Billing invoices are sent at the beginning of the month after the report issuance.

Audit Survey

When your report is released, you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

Concluding Comments

We appreciate your assistance throughout the audit. We hope you find the information above informative and helpful to the government’s operations. If you have any questions or concerns, please call or email at your convenience and we can discuss your audit.

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Stacie Tellers, MSA, CPA, Audit Manager, (564) 999-0922, Stacie.Tellers@sao.wa.gov

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Exit Recommendations
Kitsap Regional Coordinating Council
Audit Period Ending: 12/31/2021

We are providing the following exit recommendations for management's consideration. They are not referenced in the audit report. We may review the status of the following exit items in our next audit.

Meeting Minutes: Inadequate Voucher Documentation

We noted that the meeting minutes did not consistently and failed to adequately document voucher approvals, including voucher numbers and totals. As a result, expenditures of approximately \$58,000 and \$88,000 in fiscal years 2020 and 2021, respectively, were not documented as reviewed and approved in an open public meeting. We further identified activities that would require Board action, such as the approval of vouchers over email, which were conducted outside of open public meetings or otherwise did not have documented meeting minutes. All actions require a quorum of commissioners is required to be held open to the public and have documented meeting minutes.

We recommend the District ensure the meeting minutes address the above items include the Board-approved voucher numbers and total amount paid, as required by the BARS Manual 3.8.5. We further recommend the District ensure business discussions and all action and final action that are conducted comply with the Open Public Meetings Act ("OPMA", Chapter 42.30 RCW).

Reference

BARS Manual 3.8.5, Voucher Certification and Approval:

https://www.sao.wa.gov/bars_cash/accounting/expenditures/voucher-certification-and-approval/

MRSC, OPMA/PRA Tips and Checklist: <http://mrsc.org/Home/Explore-Topics/Legal/Open-Government/OPMA-and-PRA-Practice-Tips-and-Checklists.aspx>

Washington State: Office of the Attorney General, Open Government Training:

<https://www.atg.wa.gov/opengovernmenttraining.aspx>

Kitsap Regional Coordinating Council Revenue and Expense Report for Work Completed in 2023

CASH BASIS

Draft v. 4-21-23

Invoice Number	2022-1	2022-2	2022-3	2022-4	2022-5	2022-6	2022-7	2022-8	2022-9	2022-10	2022-11	2022-12				
Work conducted in:	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD	Budgeted	% Budget Year	% Budget Spent
Revenue																
Member Dues		\$ 133,591.00	\$ 110,506.00	\$ 2,205.00									\$ 246,302	\$ 243,000	N/A	101.36%
Events/Receptions		\$ 30											\$ 30	N/A	N/A	N/A
Application Fees													\$ -	N/A	N/A	N/A
Other													\$ -	N/A	N/A	N/A
Carry Forward	\$ 83,757.28													N/A	N/A	N/A
Total Revenue	\$ 83,757.28	\$ 133,621.00	\$ 110,506.00	\$ 2,205.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,089.28			
Operating Expenses																
Triangle Invoice Total	\$18,013.54	\$19,061.31	\$ 18,377.12										\$ 55,451.97	\$ 214,166	25%	25.89%
Triangle labor/expenses	\$ 18,013.54	\$ 19,061.31	\$ 18,300.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,374.97	\$ 211,315	25%	26.20%
Subcontractor Expenses													\$ -	\$ 0	25%	n/a
Room Rentals			\$ 77.00										\$ 77.00	\$ 2,500	25%	3.08%
Reception Expenses													\$ -	\$ 350	25%	0.00%
Auditor's Office													\$ -	\$ 5,000	25%	0.00%
Legal Services													\$ -	\$ 3,000	25%	0.00%
RMSA Insurance	\$ 4,121.00												\$ 4,121.00	\$ 4,123	25%	99.95%
Reserves			\$ 1,000										\$ 1,000.00	\$ 1,000	25%	100.00%
Miscellaneous													\$ -	\$ 420	25%	0.00%
Total Op. Expenses	\$ 22,134.54	\$ 19,061.31	\$ 19,377.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,572.97	\$ 227,708	25%	26.60%
Net Income													\$ 269,516.31			
Total Reserves	\$24,000												\$25,000.00			