



Kitsap Regional Coordinating Council

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

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

Approved 5/2/2023

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