



KITSAP REGIONAL COORDINATING COUNCIL

EXECUTIVE BOARD MEETING

February 7, 2023

OVERVIEW OF HOUSING ALLOCATION AND IMPLICATIONS ON COMPREHENSIVE PLANNING

Department of Commerce

HB 1220: Housing Element Updates

Laura Hodgson

SENIOR PLANNER

02/07/2023



Washington State
Department of
Commerce

We strengthen communities



HOUSING AND HOMELESSNESS



INFRASTRUCTURE AND BROADBAND



SMALL BUSINESS ASSISTANCE



ENERGY



PLANNING AND TECH ASSISTANCE



COMMUNITY SERVICES AND FACILITIES



CRIME VICTIMS AND PUBLIC SAFETY



ECONOMIC DEVELOPMENT

Agenda

- HB 1220 Requirements and Project Timeline
- Allocation Guidance
- Other Guidance Material



HB 1220 Requirements

Orange text: Commerce

Pink text: Projected Housing Needs (a-d)

Blue text: Racially Disparate Impacts (e-h)

Requires **Commerce to provide projected housing needs to local governments by income bracket and for permanent supportive housing (PSH) and emergency housing**

Local housing element to:

- Conduct an **inventory and analysis of all housing needs** – to include housing needs by income, PSH and emergency housing
- **Identify sufficient capacity of land** for identified housing needs
- **Make adequate provisions for all housing needs**, including “document barriers to housing availability such as gaps in local funding, development regulations, etc.”
- Identify **local policies and regulations that result in racially disparate impacts, displacement, and exclusion** in housing and
- **Identify and implement policies and regulations to undo them**
- **Identify areas at higher risk of displacement and establish anti-displacement policies**

Update on the Project

| Deliverable | Publication Date |
|--|-------------------------|
| Public Review Draft of Allocation Guidance | July 2022 |
| Public Review Draft of Projection Methodology & Draft Tool | October 2022 |
| Public Review Draft of Land Capacity | December 2022 |
| Public Review Draft of Adequate Provisions | January 2023 |
| Final Projected Housing Needs & Allocation Guidance | Feb 27 or 28, 2023 |
| Final Land Capacity & Adequate Provisions Guidance | Mid-April 2023 |
| Webinar 1 on Projected Housing Needs & Allocation | March 2023 |
| Webinar 2 on Land Capacity & Adequate Provisions | End of April 2023 |

Housing Needs and Allocation Guidance

- Commerce is developing projected housing needs by income bracket, including permanent supportive housing (PSH) and Emergency Housing (EH)
- Projected housing needs will be developed at a countywide level
- Counties and cities will need to decide how to divide up the need, just as they do population
- Commerce developed Allocation Guidance and a tool (Housing for All Planning Tool or HAPT) to help communities do this work

| Housing Units by Income Band | Area Median Income (AMI) |
|------------------------------|--------------------------------|
| Emergency housing/shelters | NA |
| Extremely low: | 0-30% AMI, including some PSH* |
| Very low | 31-50% |
| Low | 51-80% |
| Moderate | 81-120% |
| Other | Above 120% |

*PSH = permanent supportive housing

Allocation Tool

Housing Needs Projections for Selected County, Projection Year, and Population Target

Complete Steps 1, 2, and 3 to access countywide projections

Step 1
Select a County
Kitsap ✓

Step 2
Select a Projection Year
2044 ✓

Step 3
Enter Population Target in Range
346,385 ✓

Table 1: OFM GMA Population Projections, 2044

Kitsap County Projected Population, 2044

| | Low | Medium | High | VISION 2050 |
|-----------------------------|---------|---------|---------|-------------|
| Projected Population (2044) | 281,339 | 324,969 | 412,109 | 344,137 |

Table 2: Projected Countywide Housing Needs Based on User Inputs

Kitsap County

Population Target = 346,385

| | Total | Affordability Level (% of Area Median Income) | | | | | | Emergency Housing/Shelter Beds | |
|------------------------------------|---------|---|--------|--------|---------|----------|--------|--------------------------------|-------|
| | | 0-30% | 30-50% | 50-80% | 80-100% | 100-120% | 120%+ | | |
| Total Future Housing Needed (2044) | 143,736 | 11,373 | 1,901 | 17,126 | 38,422 | 21,661 | 14,366 | 38,886 | 2,079 |
| Estimated Housing Supply (2020)* | 110,914 | 4,123 | 114 | 11,737 | 33,907 | 19,338 | 12,078 | 29,617 | 481 |
| Net New Housing Needed (2020-2044) | 32,822 | 7,250 | 1,787 | 5,389 | 4,515 | 2,324 | 2,288 | 9,270 | 1,598 |

* Note: Supply of PSH in 2020 is beds. However, projections of Net New Housing Needed (2020-2044) are in housing units. See Overview tab for details.

- Instructions:**
- **Step 1:** Select a county; **Step 2:** select projection year
 - Next, Table 1 will present OFM GMA population projections for your county and year inputs. For PSRC counties, selecting projection year 2044 will also present VISION 2050 population projections.
 - **Step 3:** Enter your county's population target. This is the total population projected for the selected year. The value must be within the range shown in Table 1.
 - After completing Step 3, Table 2 will present projected countywide housing needs based on the user inputs.

Allocation Tool

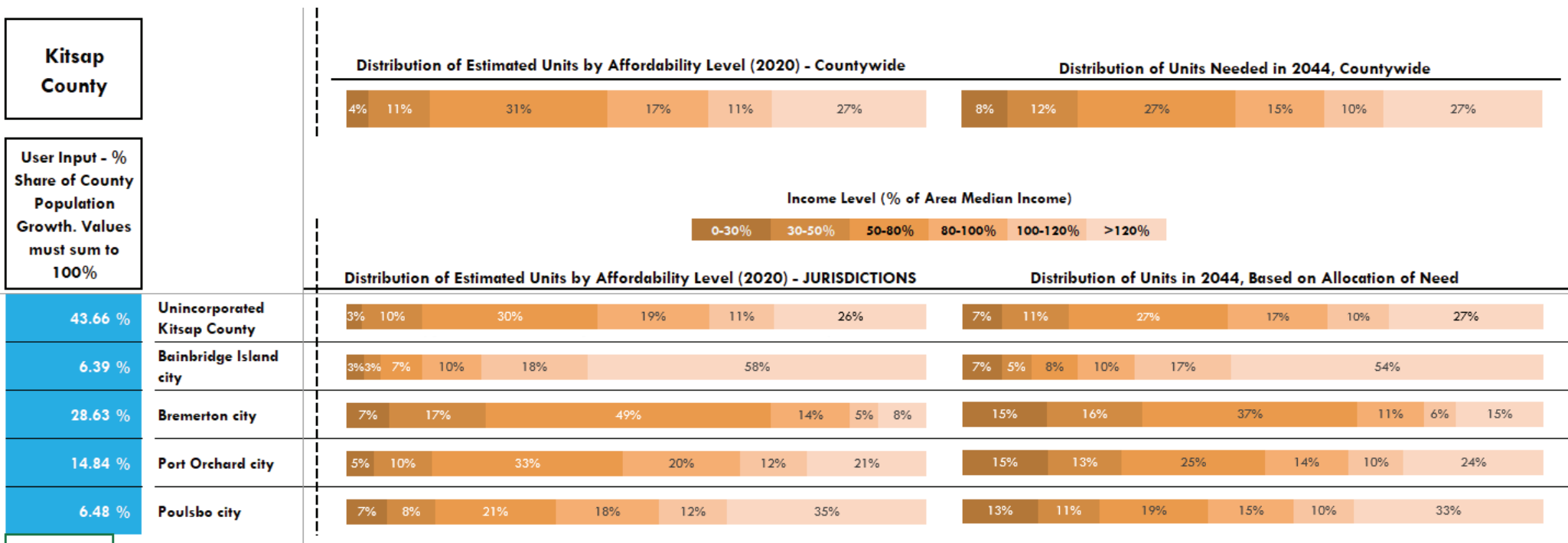
- **Allocation tool provides two frameworks for allocating housing needs**
 - **Method A: Focuses on new growth.** The same shares of new housing growth are affordable in every jurisdiction. (“Everyone does the same thing”)
 - **Method B: Focuses on the planning horizon year.** The same shares of total housing stock in 2044 are affordable in every jurisdiction. (“Everyone tries to reach the same goal”)
- **The county may use any method it wants to allocate housing needs, so long as it meets minimum requirements in the guidance**
- **The tool is intended as a starting point for discussion**
- **Commerce recommends using Allocation Method A if no other alternative is selected**

Allocation Tool: Method A

| Kitsap County | Projection Year: 2044 Population Target = 346,385 | | Permanent Housing Needs by Income Level (% of Area Median Income) | | | | | | | Emergency Housing Needs (Temporary) | |
|---|---|---------------------------------|---|---------|---------|----------|-----------|--------|--------|-------------------------------------|-----|
| | Total | 0-30% | | >30-50% | >50-80% | >80-100% | >100-120% | >120% | | | |
| | | Non-PSH | PSH | | | | | | | | |
| | Countywide Estimated Housing Supply (2020) | 110,914 | 4,123 | 114 | 11,737 | 33,907 | 19,338 | 12,078 | 29,617 | 481 | |
| | Countywide Additional Units Needed (2020-2044) | 32,822 | 7,250 | 1,787 | 5,389 | 4,515 | 2,324 | 2,288 | 9,270 | 1,598 | |
| | Sum of Allocation to Jurisdictions (from User Inputs) | 32,822 | 7,250 | 1,787 | 5,389 | 4,515 | 2,324 | 2,288 | 9,270 | 1,598 | |
| | | 100.00% Met Target | <-- Sum of user inputs for jurisdiction shares of county future net housing need. If below 100%, increase shares. If above 100%, decrease shares. | | | | | | | | |
| User Input - % Share of County Population Growth. Values must sum to 100% | | | Permanent Housing Needs by Income Level (% of Area Median Income) | | | | | | | Emergency Housing Needs (Temporary) | |
| | Total | 0-30% | | >30-50% | >50-80% | >80-100% | >100-120% | >120% | | | |
| | | Non-PSH | PSH | | | | | | | | |
| 43.66 % | Unincorporated Kitsap County | Estimated Housing Supply (2020) | 69,987 | 1,802 | 8 | 7,334 | 21,047 | 13,531 | 7,815 | 18,450 | 153 |
| | | Allocation Method A (2020-2044) | 14,330 | 3,165 | 780 | 2,353 | 1,971 | 1,015 | 999 | 4,047 | 698 |
| 6.39 % | Bainbridge Island city | Estimated Housing Supply (2020) | 11,251 | 331 | 0 | 331 | 788 | 1,150 | 2,073 | 6,578 | 0 |
| | | Allocation Method A (2020-2044) | 2,097 | 463 | 114 | 344 | 289 | 148 | 146 | 592 | 102 |
| 28.63 % | Bremerton city | Estimated Housing Supply (2020) | 18,351 | 1,346 | 106 | 3,030 | 8,960 | 2,496 | 879 | 1,534 | 316 |
| | | Allocation Method A (2020-2044) | 9,397 | 2,076 | 512 | 1,543 | 1,293 | 665 | 655 | 2,654 | 458 |
| 14.84 % | Port Orchard city | Estimated Housing Supply (2020) | 6,209 | 288 | 0 | 619 | 2,051 | 1,246 | 717 | 1,288 | 11 |
| | | Allocation Method A (2020-2044) | 4,871 | 1,076 | 265 | 800 | 670 | 345 | 339 | 1,376 | 237 |
| 6.48 % | Poulsbo city | Estimated Housing Supply (2020) | 5,116 | 356 | 0 | 422 | 1,062 | 915 | 594 | 1,767 | 1 |
| | | Allocation Method A (2020-2044) | 2,127 | 470 | 116 | 349 | 293 | 151 | 148 | 601 | 104 |

27.5% 16.4% 13.8% 7.1% 7.0% 28.2% City share

Allocation Tool: Method A



Allocation Tool: Method B

Projection Year: 2044
Population Target = 346,385

Permanent Housing Needs by Income Level (% of Area Median Income)

| | Total | 0-30% | | >30-50% | >50-80% | >80-100% | >100-120% | >120% |
|---|---------|---------|-------|---------|---------|----------|-----------|--------|
| | | Non-PSH | PSH | | | | | |
| Countywide Estimated Housing Supply (2020) | 110,914 | 4,123 | 114 | 11,737 | 33,907 | 19,338 | 12,078 | 29,617 |
| Countywide Total Housing Needs(2044) | 143,736 | 11,373 | 1,901 | 17,126 | 38,422 | 21,661 | 14,366 | 38,886 |
| Countywide Additional Units Needed (2020-2044) | 32,822 | 7,250 | 1,787 | 5,389 | 4,515 | 2,324 | 2,288 | 9,270 |
| Sum of Allocation to Jurisdictions (from User Inputs) | 32,822 | 7,250 | 1,787 | 5,389 | 4,515 | 2,324 | 2,288 | 9,270 |

| Emergency Housing Needs (Temporary) |
|-------------------------------------|
| 481 |
| 2,079 |
| 1,598 |
| 1,598 |

100.00% Met Target <-- Sum of user inputs for jurisdiction shares of county future net housing need. If below 100%, increase shares. If above 100%, decrease shares.

User Input - % Share of County Population Growth

<-- Note: these shares are tied to user inputs from Allocation Method A sheet

Income Level (% of Area Median Income)

| | Total | 0-30% | | >30-50% | >50-80% | >80-100% | >100-120% | >120% |
|-------------------------------------|--------|---------|-------|---------|---------|----------|-----------|--------|
| | | Non-PSH | PSH | | | | | |
| Unincorporated Kitsap County | 69,987 | 1,802 | 8 | 7,334 | 21,047 | 13,531 | 7,815 | 18,450 |
| Allocation Method B (2020-2044) | 14,330 | 4,869 | 1,107 | 2,712 | 1,492 | -824 | 613 | 4,361 |
| Bainbridge Island city | 11,251 | 331 | 0 | 331 | 788 | 1,150 | 2,073 | 6,578 |
| Allocation Method B (2020-2044) | 2,097 | 725 | 177 | 1,259 | 2,780 | 862 | -739 | -2,967 |
| Bremerton city | 18,351 | 1,346 | 106 | 3,030 | 8,960 | 2,496 | 879 | 1,534 |
| Allocation Method B (2020-2044) | 9,397 | 850 | 261 | 276 | -1,542 | 1,686 | 1,895 | 5,973 |
| Port Orchard city | 6,209 | 288 | 0 | 619 | 2,051 | 1,246 | 717 | 1,288 |
| Allocation Method B (2020-2044) | 4,871 | 589 | 147 | 701 | 911 | 424 | 390 | 1,709 |
| Poulsbo city | 5,116 | 356 | 0 | 422 | 1,062 | 915 | 594 | 1,767 |
| Allocation Method B (2020-2044) | 2,127 | 217 | 96 | 441 | 874 | 177 | 130 | 193 |

| Emergency Housing Needs (Temporary) |
|-------------------------------------|
| 153 |
| 1,067 |
| 0 |
| 193 |
| 316 |
| 85 |
| 11 |
| 149 |
| 1 |
| 104 |

9.2% 11.9% 26.7% 15.1% 10.0% 27.1% City share

Other Allocation Options

- Apply manual adjustments to the values by copying and pasting values into an Excel document
- Incorporate new quantitative criteria using a weighted system
- Regardless of approach, users must make sure total housing needs of the county and cities add up to total countywide housing need for each income band
- Other PSRC jurisdictions:
 - King County – recommending Option “C” (Focus on new growth adjusted for local factors: share of affordable housing and share of low-wage jobs to low-wage workers)
 - Snohomish County – leaning towards their own Option “C” (Focus on new growth adjusted for amount of affordable housing currently in each jurisdiction)
 - Pierce County – leaning towards Option B

Land Capacity

(2)(c) Identifies **sufficient capacity of land** for housing including, but not limited to:

- government-assisted housing,
- housing for **moderate, low, very low, and extremely low-income households,**
- manufactured housing,
- multifamily housing,
- group homes,
- foster care facilities,
- **emergency housing, emergency shelters,**
- **permanent supportive housing,** and
- **within an urban growth area boundary, consideration of duplexes, triplexes, and townhomes;**

Possible Land Capacity Findings

- **Jurisdictions will likely find they don't have enough capacity for lower-income housing needs**
 - Result: Will need to add more zoning capacity for higher density housing types, that are generally more affordable
- **Rural areas do not support lower-income housing needs due to lot sizes and restrictions on type of housing**
 - Result: Growth will need to be directed into cities, unincorporated urban growth areas, and rural areas with infrastructure
- **Areas that were not planned to be served by infrastructure may need attention in capital facilities plan to reach needed capacities**

Adequate Provisions

“Makes adequate provisions for existing and projected needs of all economic segments of the community, including:

- (i) Incorporating consideration for low, very low, extremely low, and moderate-income households;
- (ii) Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations;
- (iii) Consideration of housing locations in relation to employment location; and
- (iv) Consideration of the role of accessory dwelling units in meeting housing needs.”

(b) Documenting programs and actions

RCW 36.70A.070(2)(d)
(ii) "Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations"

Recommended minimum standard:

1. Review housing production trends to determine if a barrier exists (If yes, then proceed to next step)

2. Gather information to determine what kind(s) of barriers exist

3. Identify and document appropriate programs and actions to overcome each barrier identified

Next steps for jurisdictions

Allocate countywide housing needs by income bracket

- Recommend counties use existing coordination process for allocating
- Agree on projected housing needs allocation

Accommodate allocations by income bracket (land capacity)

- Identify capacity for allocated housing needs by income bracket
- Make adjustments to zoning to accommodate housing needs

Document programs and actions needed to achieve housing availability

- Review other regulations, fee structures, incentives, etc. which influence housing

Update comprehensive plan policies and regulations



Washington State
Department of
Commerce

www.commerce.wa.gov



Questions?

Laura Hodgson

SENIOR PLANNER

Laura.Hodgson@commerce.wa.gov

360.764.3143

DISCUSSION OF KITSAP COUNTYWIDE HOUSING ALLOCATIONS WITHIN GROWTH TARGETS

KRCC Staff

OTHER COUNTIES' EFFORTS



Kitsap

Initial stages

Developing own methodology



King County

King

Late stages

Refining housing allocations from 2021 CPP



Pierce County

Pierce

Assessing Commerce's methodologies



Snohomish County

Snohomish

Late stages

Final review of draft housing allocations

OVERVIEW OF HOUSING ALLOCATION METHODOLOGIES

Methodology A

Methodology B

Methodology C:
*To Be Developed by
Kitsap*

Assumes all housing needs are accommodated through new housing production

Assumes all jurisdictions accommodate equivalent shares of total countywide housing need at each income level, proportional to their size (can result in negative allocations)

Adjusts for local factors unique to Kitsap

Balances fair, achievable, and smart growth

OVERVIEW OF HOUSING ALLOCATION METHODOLOGIES

Methodology C:

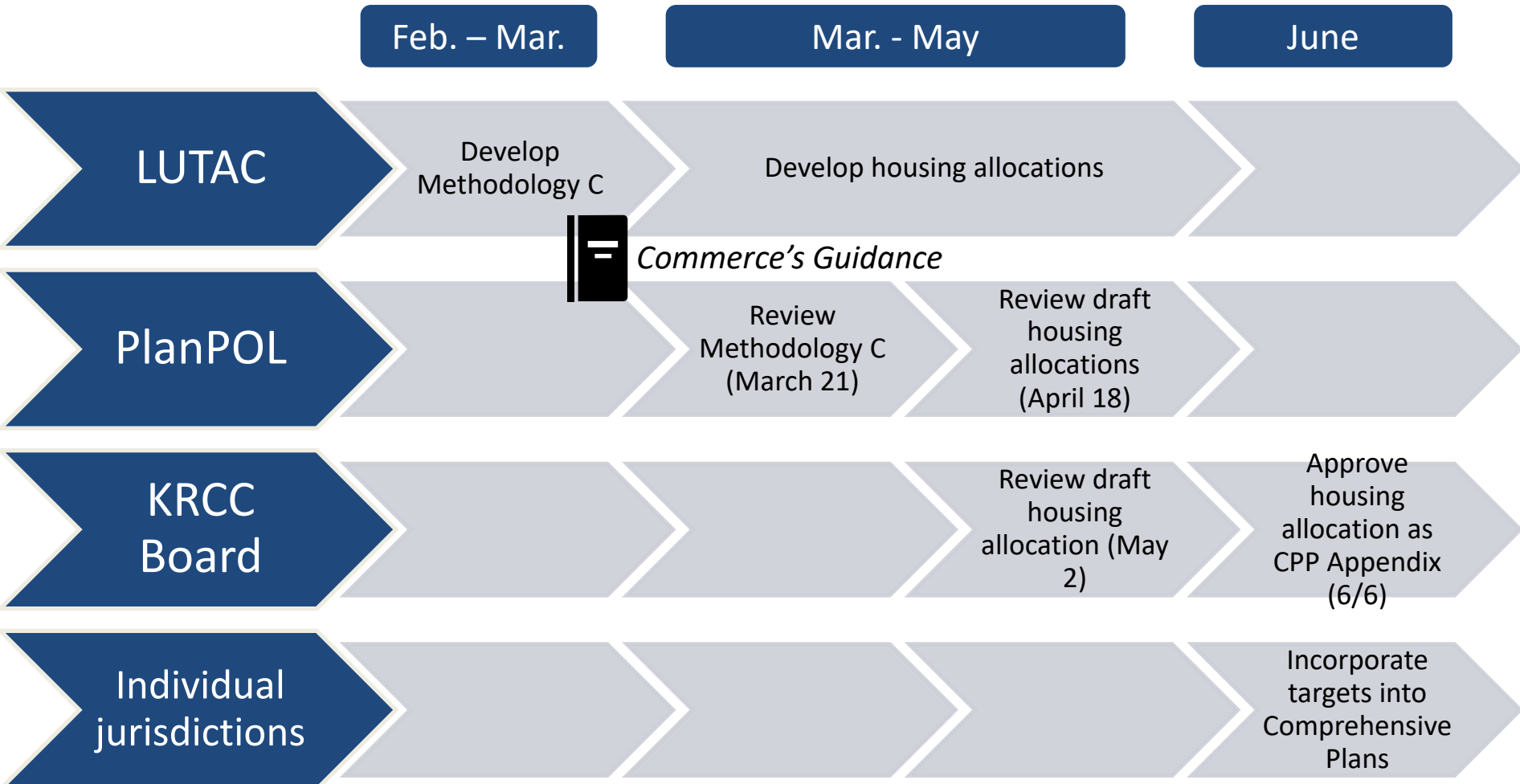
To Be Developed by Kitsap

Considers...

- Recognition of existing affordable housing
- Station area planning along the planned HCT routes
- Housing Action Plans
- Recognition of supportive services in existence (note: potential risk of perpetuating inequities)
- Recognition of land costs in jurisdictions
- Persons per household based on each jurisdiction
- Separate numbers for Silverdale, CK, and Kingston + unincorporated UGAs
- Excluding new construction of <80% AMI in rural areas and measures to strive to prevent displacement of existing <80% AMI housing
- Individual jurisdictions' conversations

HOUSING NEEDS ALLOCATION DEVELOPMENT TIMELINE

**Approximate – contingent on Commerce’s forthcoming guidance*



DISCUSSION

- What other considerations should be part of Kitsap's housing allocation methodology?
- How can the housing allocation account for racial/social equity?
- Other?

NEXT STEPS

- March 21 PlanPOL meeting – review Methodology C
- Internal work on housing allocations within each jurisdiction