AFFORDABLE HOUSING COMMITTEE

Wednesday, May 18, 2022, 12:30 p.m. - 3:00 p.m.

Agenda

| 12:30 p.m. | Introductions and Agenda Review |
|------------|---|
| 12:40 p.m. | Adoption of April 8, 2022 Meeting Minutes, action item |
| 12:45 p.m. | Community Partners Table, briefing |
| 12:55 p.m. | GMPC Motion 21-1 Accountability Framework, decision |
| 1:55 p.m. | GMPC Motion 21-1 Jurisdictional Shares of Countywide Housing Needs, direction |
| 2:55 p.m. | Wrap Up and Next Steps |
| 3:00 p.m. | Adjourn |

Meeting Minutes

Reference material: Draft April 8, 2022 AHC Meeting Minutes

Council Chair Claudia Balducci

Affordable Housing Committee Chair King County Council

Community Partners Table

Reference material: <u>Recommendations Report</u>

Sarah Ballew Change Management and Policy Consultant Headwater People

GMPC Motion 21-1 Accountability Framework

Reference material: Staff Report

McCaela Daffern

Regional Affordable Housing Implementation Manager King County Department of Community and Human Services

Goals for Today

• Staff will:

 $\checkmark {\sf Recap}$ where you are in the process and what to expect next

- \checkmark Review answers to your questions
- AHC will:
 - ✓ Determine what actions to include in a motion approving the framework actions and directing staff and the HIJT CPP Work Group to develop CPP amendments to implement the framework

AHC 2022 Work Phases



Recommend an accountability framework Incorporate new data and guidance from Commerce on affordable housing targets and countywide need projections

Recommend CPP amendments

April-May

May-July

Sept-Nov

Framework Design Considerations

- Complement state and multicounty accountability systems
- Strengthen the CPP Housing Chapter accountability system
- Consider GMPC member amendments
- Clarify role of affordable housing targets and other benchmarks
- Articulate a full range of options in the first draft

Potential Framework Actions

Targets

Jurisdictional affordable housing targets established in CPP Housing Chapter to clarify what jurisdictions must plan for and accommodate

Comprehensive Plan Adoption Oversight

2 Comprehensive Plan Implementation Oversight

Ia. Review Plans

AHC offers early guidance and assistance to jurisdictions on CPP Housing Chapter alignment. Before adoption of a periodic update to a comprehensive plan, the AHC reviews plans for alignment with the CPP Housing Chapter and comments

Ib. Review & Certify Plans

Everything in Action 1a plus, after plan adoption, GMPC issues plan certification decision

2a. Monitor & Report

After periodic updates to comprehensive plans are adopted, AHC annually measures jurisdictional progress to plan for and accommodate affordable housing targets in dashboard using standardized benchmarks and housing data trends

2b. Monitor, Report & Require Adjustments

Everything in Action 2a plus, five years after plan adoption, the GMPC reviews the information collected through monitoring and identifies jurisdictions with significant shortfalls in planning for and accommodating affordable housing targets. The GMPC requires those jurisdictions to take reasonable measures to adjust plans or land use maps to address significant shortfalls

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AHC and GMPC Feedback

Comprehensive Plan Adoption Oversight

2 Comprehensive Plan Implementation Oversight

✓ Ia. Review Plans

- AHC supports offering early guidance and assistance to jurisdictions during the development of a periodic update to a comp plan and reviewing draft plans and providing comments prior to adoption
- GMPC members who spoke generally support developing this action

? Ib. Review & Certify Plans ✓ 2a. Monitor & Report

- AHC needs more information to determine support for recommending empowering the GMPC, with assistance from the AHC, to issue plan certification decisions
- No expressed GMPC support
- AHC supports modifying the annual monitoring system to measure benchmarks and data that more closely align with this framework, and comparing jurisdictions based on their progress toward benchmarks
- GMPC members who spoke generally support developing this action

2b. Monitor, Report & Require Adjustments

- AHC supports a midcycle review of jurisdictional progress to accommodate their affordable housing targets and recommending empowering the GMPC, with assistance from the AHC, to require adjustments to address shortfalls
- GMPC members who spoke didn't oppose this action, but a few members suggested implementing this action in a future comp plan cycle

Staff Response | Overarching Question

| Action | AHC Question | Staff Response |
|-----------------------|---|---|
| Common | 1. Are there ways to reduce | Clear checklists and standards |
| Across All Actions | resource intensity, particularly for small jurisdictions? | Less stringent expectations for small jurisdictions related to requiring plan adjustments |
| | | Explore waiving annual reporting if there were no |

- Explore waiving annual reporting if there were no meaningful programmatic or policy changes
- Collect and disseminate example policies, codes, ordinances and other implementation strategies

Staff Response | Plan Adoption Oversight

| Action | AHC Question | Staff Response |
|---------------------|--|--|
| l a. Plan Review | 2. What type of up-front assistance would be most helpful? | Plan review checklist Links to comp plan language from other cities Webinar on plan review standards |
| | 3. Can we ensure an objective and independent review of plans? | PSRC reports no challenges, but strong, clear standards will certainly help |
| | 4. What are the standards for reviewing plans? | • See next slide |
| Ib. Plan | 5. What are the standards for | Same as Plan Review |
| Review & | certifying plans? | |
| Certification | 6. Is there time to develop effective goal metrics and a certification process for this comprehensive plan cycle? | Establishing an effective process would be challenging given that comprehensive plan updates are underway |

Plan Review Standards

Staff Proposal

Develop a comprehensive plan review and certification checklist that:

- Articulates a clear threshold for determining alignment
- Requests a page/policy reference where each threshold is met
- Includes guidance for meeting the threshold standard that jurisdictional staff can use or adapt
- Includes suggestions for jurisdictions looking to do more

Structure

See Exhibit A of the staff report for a sample checklist standard and guidance

- Developed by AHC staff but not reviewed by HIJT CPP Work Group or IJT
- Structured as a yes/no questions, not to assess how well a jurisdiction implemented the standard

Discussion

Comprehensive Plan Adoption Oversight

I a. Review Plans

AHC offers early guidance and assistance to jurisdictions on CPP Housing Chapter alignment. Before adoption of a periodic update to a comprehensive plan, the AHC reviews plans for alignment with the CPP Housing Chapter and comments

Ib. Review & Certify Plans

Everything in Action 1a plus, after plan adoption, GMPC issues plan certification decision Are members supportive of 1a. Review plans <u>or</u> 1b. Review and certify plans?

Staff Response | Plan Implementation Oversight

| Action | AHC Question | Staff Response |
|---|---|--|
| 2a. Monitor & Report | 7. What housing data should be collected and tracked annually? | Descriptions of the types of data to be tracked are provided in staff report Specifics can be included in draft CPP amendment text for AHC consideration in September 2022 |
| | 8. How will jurisdictional comparisons be measured? | Guidance to establish jurisdictional comparisons in 2023 or later can be included in a draft CPP amendment text for AHC consideration in September 2022 Could be developed at any time, with details settled after more time-sensitive framework elements are established |
| 2b. Monitor, Report, & Require Adjustments | 9. What constitutes a significant shortfall and what reasonable measures would a jurisdiction be asked to take? | e establish this no sooner than 2024 |

Discussion

2 Comprehensive Plan Implementation Oversight

2a. Monitor & Report

After periodic updates to comprehensive plans are adopted, AHC annually measures jurisdictional progress to plan for and accommodate affordable housing targets in dashboard using standardized benchmarks and housing data trends

2b. Monitor, Report & Require Adjustments

Everything in Action 2a plus, five years after plan adoption, the GMPC reviews the information collected through monitoring and identifies jurisdictions with significant shortfalls in planning for and accommodating affordable housing targets. The GMPC requires those jurisdictions to take reasonable measures to adjust plans or land use maps to address significant shortfalls

Are members supportive of 2a. Monitor and report <u>or</u> 2b. Monitor, report, and require adjustments?

GMPC Motion 21-1 Jurisdictional Share of Countywide Housing Need

Reference material: Staff Report

Sunaree Marshall Housing Policy and Special Projects Manager King County Department of Community and Human Services

Goal for Today

• Staff will:

✓ Brief you on state efforts to set minimum requirements and develop guidance for allocating countywide need

- \checkmark Describe three allocation methods that could be developed for Committee consideration
- Committee will:
 - ✓ Have an opportunity to voice support, concerns, or considerations staff should account for when developing each method

Target Setting Approach



April-May

Staff shape Commerce guidance
AHC provides initial direction on affordable housing target model (May 18) June–July

•Staff build model, seek input, and refine model

July-November

AHC considers and approves target method and seeks GMPC concurrence (July 27)
AHC considers (Sept. 29) and approves (Nov. 16) CPP amendments and seeks GMPC concurrence

What are Affordable Housing Targets?

Allocation of countywide need

These terms are used interchangeably to express the share of countywide affordable housing need a jurisdiction is responsible for planning for and accommodating

Affordable Housing Targets Are Also ...

An expression of need

Different than growth targets

A guide for where and how need is addressed

Required

• They reflect what's needed without considering the cost of, resources available for, or barriers to building that housing

• They are not the same thing as growth targets, which are an expression of future housing growth

• They guide how much housing at different income bands a jurisdiction plans for and accommodates

• They are now required by the Growth Management Act (GMA) and requested by the GMPC

Targets Will Be Based on New State Information

GMA now instructs local governments to:*

- Plan for and accommodate housing affordable to all income levels
- Include an inventory and analysis of existing and projected housing needs for all economic segments as well as permanent supportive housing, emergency housing, and emergency shelters, to be provided by Commerce
- Link their housing goals with overall county goals

In response, Commerce is:

- Projecting countywide need by income segment and special housing type rather than jurisidictional level for counties and cities to allocate
- Providing guidance on how allocation could occur

* among other new requirements as a result of House Bill 1220

Local Target Setting Will Be Adaptive

Commerce's allocation guidance is still evolving

- Information shared today is based on preliminary draft guidance
- Staff will brief the AHC on any major shifts in the guidance at the July 27 AHC meeting

Commerce's countywide need projections won't be finalized until the fall

• Staff will keep the Committee apprised of potential impacts to its target setting work

Commerce's Countywide Need Projections

Counties must use projections of countywide need developed by Commerce

- Commerce will express countywide need as the additional units needed by 2050 to meet projected housing needs by:
 - **By income level:** 0-30%, >30-50%, >50-80%, and >80-120% AMI
 - o **Special housing:** permanent supportive housing and emergency housing/shelters
- The projections will attempt to provide an objective prediction of future need without considering the cost of, resources available for, or barriers to building that housing.

Commerce's Preliminary Draft Minimum Standards for Allocating Need

Counties and cities can choose any method of allocating need, but must meet the state's minimum allocation standards

- 1. The county must select a total housing need projection within the range of the low, medium, and high countywide housing needs projections published by Commerce
- 2. The selected countywide housing need projection for each *income level* and *special housing* needs must be consistently derived from the same Commerce projection series
- 3. The sum of all allocated housing needs to local jurisdictions in a county must equal the total countywide housing need projection. This should be true for each income level, PSH, and emergency shelter/housing.
- 4. Each jurisdiction's allocation of projected housing needs by income level and for PSH and emergency housing must be documented in their comprehensive plan housing element

Planned Allocation Approach

Staff will explore three allocation methods for Committee consideration*

- Each method meets Commerce's draft minimum standards
- Each method promotes the concept of increasing housing choice in areas with less affordable options and promotes a more equitable distribution of housing choices across all jurisdictions
 - o All jurisdictions will accommodate a share of the countywide need at all income segments
 - o Allocates a greater share of countywide need to jurisdictions with less housing affordable to lowerincome households currently
- Staff are looking for the Committee to confirm this general direction

* Methods may change if Commerce's allocation guidance changes or data is unavailable

Method I Housing Needs Allocation Tool (HNAT) Using Housing Growth Targets

Overview

- Allocates total projected countywide net

 new housing need in 2050
 proportionally based on adopted growth
 targets, by economic segment
- No countywide need projected at an income band → no jurisdictional need allocation at that income band
- Caps a jurisdiction's housing need allocation by its housing growth target
- Allocates need first at lowest income band
- Same method for both by income level and special housing

Benefits

- Jurisdictions with less affordable housing today receive proportionally larger allocations
- Cap by growth targets makes the allocations perceivably more achievable
- Special housing: creates access to opportunity areas for people currently or formerly experiencing homelessness and requires all jurisdictions to contribute to ending homelessness

Limitations

- Jurisdictions will only plan for affordable housing need within the bounds of new growth, so jurisdictions will plan for improved, rather than equal distribution of countywide need
- Special housing needs allocation does not consider:
 a jurisdiction's capacity or proximity to services
 - o transportation access beyond the application of growth targets

Method 2 | Weighted Allocation

Overview

- Adjusting allocations based to increase the range of available and affordable housing options
- Adjustment factors may be applied to HNAT or to a wholly different allocation method
- Potential adjustment factors by income level that expand housing choice:
 - Allocating more need to areas with less affordable housing than average
 - Allocating more need near where lowwage people work
- Potential adjustment factors for special housing not yet identified
 - o Will consult with human service planners

Benefits

- Offers more flexibility to address local policy objectives than the HNAT
- Potentially recognizes affordability supply and jobs/worker imbalances across jurisdictions

Limitations

- Data availability limits what adjustment factors can be applied
- Complex in both process and mathematics
- Difficult to describe and increases the risk of unintended consequences

Method 3 | HNAT Without Housing Growth Targets as a Cap on Need Allocations

Overview

- Use the HNAT method, but not apply housing growth targets as a "cap"
- A jurisdiction's share of countywide need may exceed its growth targets
- Same method for both by income level and special housing

Benefits

- Jurisdictions with less affordable housing today receive proportionally larger allocations
- Plans for a future where all jurisdictions have equal shares of affordable housing at each income band, based on their future population projection

Limitations

• A jurisdiction's need may exceed the housing growth target, leading to challenging planning requirements for jurisdictions with high land costs

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