

Memo

To: King County Affordable Housing Committee Members
From: McCaela Daffern, Regional Affordable Housing Implementation Manager and Melissa Aguilar, Regional Affordable Housing Specialist
cc: Housing Interjurisdictional Team
Date: July 22, 2022
Re: GMPC Motion 21-1 Jurisdictional Affordable Housing Needs/Targets

Purpose of July AHC Meeting

Growth Management Planning Council (GMPC) Motion 21-1 requires the Affordable Housing Committee (AHC or Committee) establish subregional or jurisdictional affordable housing needs, informed by local data and the data and methodology provided by the Washington State Department of Commerce (Commerce).¹

At the July 27 AHC meeting, Committee members will:

- learn about jurisdictional affordable housing target options under development for Committee consideration based on Commerce’s data and guidance, including orientation to [a dashboard](#) to inform option evaluation, and
- ask clarifying questions and provide feedback to staff on target option refinements.

Informed by AHC and stakeholder input, staff will refine options for establishing jurisdictional affordable housing needs for Committee consideration and potential approval at the September 29 AHC meeting.

Background

Jurisdictional affordable housing needs refers to the share of countywide affordable housing need a jurisdiction is responsible for planning for and accommodating in their comprehensive plan. It is synonymous with jurisdictional affordable housing targets, jurisdictional share of countywide need, allocation of countywide need, and disaggregation of countywide need.

The AHC will establish jurisdictional affordable housing needs for two reasons:

- to respond to GMPC Motion 21-1, and
- to assist King County jurisdictions in complying with recent changes to Growth Management Act (GMA) authorized by House Bill (HB) 1220 as they prepare their 2024 major update to their comprehensive plans.

In 2021, the Washington State Legislature changed the way communities are required to plan for housing. HB 1220 amended the GMA to instruct local governments to “plan for and accommodate” housing affordable to all economic segments, identify the number of housing units necessary to manage projected growth including emergency housing, shelter, and permanent supportive housing,

¹ GMPC Motion 21-1 is referenced in Section 3 on pages 2-3 of King County Council Ordinance 19384 [\[link\]](#).

as provided by the Department of Commerce, and link jurisdictional and countywide goals in housing elements, among other requirements.

This year and next, Commerce will provide guidance to communities to meet the new housing goal and updated requirements for housing elements in the GMA. This includes:

- Two types of projected housing needs:
 1. *by income level*: 0-30%, 30-50%, 50-80%, 80-120%, >120% area median income (AMI)
 2. *special housing*: emergency housing/shelters and permanent supportive housing
- Projections will be expressed at the county level as the additional units needed by 2044 to meet projected housing needs of these categories and must be incorporated into local planning efforts.
- Guidance on how counties, working in collaboration with the cities, can allocate projected countywide housing need to local jurisdictions to ensure that all projected countywide housing need is accounted for in local comprehensive plans.
 - Integration of this allocation guidance and countywide need projections with other guidance² on implementing HB 1220 in a new version of Commerce’s Housing Element Guidebook as well as updated Washington Administrative Code.

While the GMA requires that Commerce provide housing needs projections, it does not provide direction regarding the geographic scale of those projections. Therefore, Commerce has decided to provide these projections at the countywide level as a range. It will be up to King County, working in collaboration with its cities, to select a projection from the range and determine a method for allocating that projection to jurisdictions.

The countywide need 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 draft countywide need projection methodology incorporates current unmet demand for affordable housing and future affordable housing demand.

Commerce recently released to King County draft countywide housing need projections by *income level* and is expected to release draft *special housing* need projections publicly in late August. Both projection types will be finalized in the fall/ winter, meaning outputs from the draft target options will change over the coming months. For these reasons, staff elected to delay the AHC’s selection of a target option from July to September and revise the Committee’s fall meeting schedule to accommodate this delay.

Jurisdictional affordable housing needs recommended by the AHC before the end of the year will be based on Commerce’s draft projected housing needs and must align with the minimum standards established in Commerce’s allocation guidance. To provide timely information for King County

² As part of their work to support implementation of HB 1220, Commerce is also creating in 2022 and early 2023: 1) guidance on provisions for moderate density housing options within an Urban Growth Area (UGA), including but not limited to duplexes, triplexes and townhomes. 2) guidance on reviewing for adequate housing for existing and projected needs for all economic segments of the community, including sufficient land capacity for all projected housing. This includes guidance on how to assess zoning and regulations to allow, encourage and incentivize housing to meet the projected housing needs in each income band. 3) guidance on examining racially disparate impacts, displacement and exclusion in housing policies and regulations, and recommended policies to address them. See Commerce’s project webpage to learn more [\[link\]](#).

jurisdictions and comply with GMPC's December 31, 2022 deadline, the AHC needs to establish its jurisdictional affordable housing needs concurrent with Commerce's efforts.

Draft Jurisdictional Affordable Housing Options

Staff are developing draft jurisdictional housing target options for *by income level* that will be refined in consultation with the Housing Interjurisdictional Team (HIJT), Interjurisdictional Team (IJT), and the Community Partners Table (CPT) over the summer. At the July 27 AHC meeting, staff will walk through a draft [dashboard](#) to assist members in navigating the dashboard in September and seek input on tool refinement.

The AHC will be briefed on refined target options and stakeholder feedback at the September 29 meeting, at which point they will consider and select a preferred target option for *by income level*.

King County staff are currently coordinating with the King County Regional Homelessness Authority to determine roles and responsibilities in developing an allocation method for *special housing*.

While King County and its cities can choose any method to allocate countywide projected housing need, Commerce will set minimum standards that allocation methods must meet. The current draft minimum standards are:

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, permanent supportive housing, and emergency shelter/housing.
4. Each jurisdiction's allocation of projected housing needs by income level and for permanent supportive housing and emergency housing must be documented in their comprehensive plan housing element.
5. Allocations must be consistent with any relevant countywide planning policies or multicounty planning policies that address housing.

Staff used Commerce's draft allocation guidance and preliminary draft countywide need projections to develop three preliminary draft allocation options for *by income level*. This information from Commerce is still under development and target options will evolve as new information is released. The dashboard also does not yet speak to jurisdictional *special housing* needs targets, as Commerce has yet to release the special housing needs projections.

After soliciting input from the IJT, HIJT, CPT, GMPC, and AHC³ in July, King County AHC staff will revise the options in August and September. Revisions will also ensure alignment with the following three key principles, consistent with state, multicounty, and countywide requirements and responsive to GMPC Motion 21-1:

1. Increase housing choices for low- and moderate-income households in areas with fewer affordable options currently

³ Interjurisdictional Team, Housing Interjurisdictional Team, Community Partners Table, Growth Management Planning Council, and Affordable Housing Committee.

2. Promote a more equitable distribution of housing choices across all jurisdictions
3. Align with the Growth Management Act, Regional Growth Strategy, Countywide Planning Policies, and Commerce's minimum countywide need allocation standards

Staff renamed and renumbered the draft allocation options presented at the May 18 AHC meeting for clarity. The three preliminary draft options under development are as follows:

1. **Option 1. Focus on new growth:** Same percent shares of new housing growth are affordable in every jurisdiction
2. **Option 2. Focus on 2044:** Same percent shares of total housing stock in 2044 are affordable in every jurisdiction
3. **Option 3: Focus on new growth adjusted for local factors:** Same percent shares of new housing growth are affordable in every jurisdiction and adjusts outputs within each income band by the following factors:
 - a. Percent share of housing that's currently affordable at 0-80 percent AMI
 - b. Percent share of housing that's currently income restricted at 0-80 percent AMI
 - c. Subregional ratio of low-wage jobs to low-wage workers

Options 1 and 2 use draft allocation methodologies developed by Commerce's consultant, BERK Consulting. Option 3 was developed by King County staff, adapted from an allocation method developed by the Metropolitan Council in the Twin Cities and listed as a best practice method in Commerce's draft allocation guidance.

Table 1 on the next page includes more information on the options.

Table 1. Summary of Draft Countywide Affordable Housing Need Allocation Options by Income Level

Option Description	Strengths	Weaknesses
Option 1. Focus on New Growth: Same shares of new housing growth are affordable in every jurisdiction		
<ul style="list-style-type: none"> All countywide housing needs are accommodated through new housing production Total new units allocated to each jurisdiction is limited to their share of planned countywide housing growth All jurisdictions allocate the same percentage shares of their net new housing growth target by income level, including units for moderate, low, very low, and extremely low-income households Similar to an allocation process used in King County before the CPPs were amended in 2012 	<ul style="list-style-type: none"> Jurisdictional need allocations are perceivably more achievable since additional affordable housing is only within the bounds of new growth 	<ul style="list-style-type: none"> Jurisdictions will only plan for affordable housing need within the bounds of new growth, so lower growth targets in unaffordable communities lead to little change. Jurisdictions with higher growth targets relative to others in their regional geography allocated more need, but not all of these places are well served by transit
Option 2. Focus on 2044: Same shares of total housing stock in 2044 are affordable in every jurisdiction		
<ul style="list-style-type: none"> Each jurisdiction should plan to provide the same percentage share of their total housing supply at each income level as needed countywide Allocations of need are based in part on the estimated 2020 housing supply by affordability level. Jurisdictions with less low-income housing are thus allocated higher amounts in lower AMI bands Allocations do not assume that all net new countywide housing needs will be met through new housing production Similar to the way jurisdictions were guided to project their share of countywide need in the 2021 amended CPPs 	<ul style="list-style-type: none"> Jurisdictions with relatively more affordable homes today have fewer net new units to plan for and accommodate than jurisdictions with fewer affordable homes today 	<ul style="list-style-type: none"> The local need allocation may exceed the housing growth target, leading to challenging planning requirements for jurisdictions with high land costs Results in negative numbers at certain AMI bands for some jurisdictions – this indicates those jurisdictions don’t need to plan for and accommodate housing at those AMI bands
Option 3. Focus on New Growth Adjusted for Local Factors: Same shares of new housing growth are affordable in every jurisdiction and adjusts outputs within each income band by certain factors		
<ul style="list-style-type: none"> All countywide housing needs are accommodated through new housing production Total new units allocated to each jurisdiction is limited to their share of planned countywide housing growth All jurisdictions initially receive a total new unit allocation that is equal to their percent share of total countywide growth 	<ul style="list-style-type: none"> Provides for more flexibility to address local policy objectives than the other options Potentially recognizes affordability supply and jobs/worker imbalances across jurisdictions 	<ul style="list-style-type: none"> Complex in both process and mathematics

<ul style="list-style-type: none">• Then, uses three different weighting factors to adjust the total new unit need allocation within a jurisdiction:<ol style="list-style-type: none">1. Percent share of housing that's currently affordable at 0-80 percent AMI2. Percent share of housing that's currently income restricted at 0-80 percent AMI3. Subregional ratio of low-wage jobs to low-wage workers• Place different weights on each of the factors: 50% weight on share of housing that's affordable, 25% weight each on share of housing that's income-restricted, and low wage job import/export<ul style="list-style-type: none">○ Reason for this weighting is that homes that are affordable is a more stable and place-based indicator. Workers are more likely to move than housing units are, and more renters find housing on the broader housing market that's not income-restricted.• This final allocation is then divided into different income levels by analyzing how many units currently exist in each jurisdiction at each income level, and then placing more of that jurisdiction's allocation at income levels where they have less housing than the countywide average.		
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--

Draft Jurisdictional Affordable Housing Options Dashboard

Background

King County AHC staff developed an interactive [dashboard](#) to explore working draft jurisdictional affordable housing target options, including the target outputs of each option by income level, how the options compare to each other, and how the options affect local jurisdictions. AHC members are encouraged to familiarize themselves with the form and function of the dashboard now to be primed to use the dashboard in September. AHC members are also encouraged to ask questions and offer input on the methodologies to help guide staff revisions before finalizing the draft target options in September.

The dashboard will evolve as Commerce releases updated countywide need projections and allocation guidance, as King County finalizes growth targets, and as discussions with stakeholders take place. Future refinements already requested by stakeholders include adding more information about allocations by subregion and regional geography and adding more comparisons between methods.

Accessing the Dashboard:

When accessing the [dashboard](#), close the box if asked for a password; the dashboard is not password protected.

How To Use the Dashboard

1. First Tab: Countywide Need Projections by Income
 - This bar chart shows Commerce's preliminary figures for King County countywide affordable housing need projections by income
 - The bar chart includes total net new housing needed between 2020-2044, broken down by the following area median income (AMI) bands: 0-30%, 30-50%, 50-80%, 80-120%, >120% AMI
 - Each jurisdiction will be allocated a share of this countywide need and must plan for and accommodate this amount in their comprehensive plan
 - These figures will change as Commerce revises their countywide need projection methodology over the fall/winter
 - Changes to the figures will impact all other figures in the dashboard
2. Second Tab: Options Comparison Bar Charts
 - The bar charts compare target results from each target option across jurisdictions
 - Target results are divided into AMI bands
 - Compare results across multiple jurisdictions by selecting jurisdictions in the drop-down menu (*Note: Selecting too many jurisdictions may impact readability*)
 - Hover over the bars to see specific sum of allocation numbers
3. Third Tab: Options Comparison Maps
 - The first map shows the current share of each jurisdiction's housing at the 0-30 percent AMI band, then compares it to their future percent share of housing stock at the AMI band as allocated in Options 1, 2, and 3. Hover over the jurisdictions to see specific percent increase and allocation numbers.
 - Use the drop-down menu to see results for other AMI bands
4. Fourth Tab: Appendix 1: Local Factor Maps
 - For more detail on inputs to the allocation models, such as weighting factors used in Method 3, explore this appendix
 - Hover over the jurisdictions to see specific percent increase and allocation numbers
 - Use the drop-down menu to see results for other factors
5. Fifth Tab: Appendix 2: Option 3 Weights Comparison
 - Shows maps of two different Option 3 weighting scenarios
 - Scenario A shows a weighting scenario where we use weights of:
 - i. 50%: Percent of units that are affordable at 0-80% AMI
 - ii. 25%: Percent of units that are income-restricted at 0-80% AMI
 - iii. 25%: Subregional low-wage job import/export ratio
 - Scenario B shows a weighting scenario where we use weights of:
 - i. 66%: Percent of units that are affordable at 0-80% AMI
 - ii. 33%: Percent of units that are income-restricted at 0-80% AMI
 - iii. 0%: Subregional low-wage job import/export ratio

Next Steps

To stay on course for establishing jurisdictional affordable housing needs *by income level*, the AHC needs to meet the following milestones. Milestones for *special housing* targets are under development.

Date	AHC Milestone	Considerations
Sept 2022	<ul style="list-style-type: none"> Consider and select a jurisdictional affordable housing target option for <i>by income level</i> 	<ul style="list-style-type: none"> The options presented will reflect any new guidance from Commerce The options presented will reflect input from the Community Partners Table, housing policy and planning staff, land use planning staff, and human service planners on the allocation methodology
Oct 2022	<ul style="list-style-type: none"> Review and provide direction on any CPP amendments needed to articulate the jurisdiction's share of countywide need, based on the AHC's selected <i>by income level option</i> 	<ul style="list-style-type: none"> Jurisdictional affordable housing <i>by income level</i> need numbers will reflect any updated guidance from Commerce and/or new information on Commerce's projected countywide need
Dec 2022	<ul style="list-style-type: none"> Approve final recommended jurisdictional affordable housing need <i>by income level</i> and CPP amendments to the GMPC 	<ul style="list-style-type: none"> Jurisdictional affordable housing <i>by income level</i> need numbers will reflect any updated guidance from Commerce and/or new information on Commerce's projected countywide need The GMPC will consider and take action on the AHC's recommendation in 2023