# Affordable Housing Committee

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Stacia Schroeder Town Engineer Beaux Arts Village 10550 SE 27th Street Beaux Arts, WA 98004

Dear Ms. Schroeder.

Thank you for submitting the draft Beaux Arts Village 2025-2045 Comprehensive Plan Update to the Affordable Housing Committee's (AHC) Housing-focused Draft Comprehensive Plan Review Program for review on July 22, 2024. On behalf of the AHC, I am sending you this summary of our review and recommendations.

## **Background**

The AHC is a subcommittee of the Growth Management Planning Council (GMPC), consisting of representatives of King County and its cities, housing providers, area employers, and others. By direction of the GMPC, the AHC now conducts a housing-focused review of all King County jurisdictions' draft periodic comprehensive plan updates, assessing the draft plans for alignment with the <u>King County Countywide Planning Policies</u> (CPP) Housing Chapter goals and policies prior to plan adoption.

As you know, our county is experiencing a deep and persistent housing shortage. In 2021 the State of Washington adopted <a href="House Bill 1220">House Bill 1220</a>, which amended the Growth Management Act, requiring local governments to plan for and accommodate housing that is affordable to all income levels, including emergency housing. In response to this state mandate and local interest in improving the effectiveness of local housing plans and policies, the AHC led a two-year process to amend the King County CPPs.

The result was a significant update to the CPP Housing Chapter, which was recommended by the GMPC, adopted by the King County Council, and ratified by the cities in 2023. The goals of both the statute and this implementation work are to encourage cities and King County to work together to provide a full range of affordable, accessible, healthy, and safe housing choices to every resident in King County.

This review is guided by Housing-focused Comprehensive Plan Review Standards, as adopted by <u>GMPC Motion 23-2</u>. In summary, the AHC review seeks to determine whether each jurisdiction's draft plan and submission materials:

- 1. address all CPP Housing Chapter policies;
- articulate implementation strategies for relevant CPP Housing Chapter Policies; and
- 3. lay out meaningful policies that, taken together, support the jurisdiction's ability to equitably meet housing needs.

This program is still relatively new and evolving, and your engagement helps the AHC understand how jurisdictions are seeking to address their housing needs while aligning with the recent changes at the state, regional, and county levels.

The AHC acknowledges the substantial amount of time and effort that went into Beaux Arts Village's draft comprehensive plan. During review, the AHC noted that Beaux Arts Village's membership and contributions to A Regional Coalition for Housing (ARCH) align well with CPP Housing Chapter policies. Specifically, this aligns with CPPs H-6 and H-7, which require jurisdictions to collaborate with diverse partners on provision of resources and programs to meet countywide housing need, and work cooperatively with subregional collaborations to support development, implementation, and monitoring of strategies that achieve the goals of this chapter.

Below, the AHC includes recommendations necessary for Beaux Arts Village to align with the CPP Housing Chapter policies.

### Recommendations to Align with the CPP Housing Chapter

The AHC recommends Beaux Arts Village take the following actions to align its draft comprehensive plan with CPP Housing Chapter goals and policies.

### 1. Demonstrate sufficient land capacity (CPPs H-1 and H-11)

### Relevant Countywide Planning Policies

CPP H-1 requires Beaux Arts Village to plan for and accommodate one unit of housing and this one unit must be affordable to households at or below 30 percent of area median income (AMI). CPP H-11 requires jurisdictions identify sufficient capacity of land for housing, including extremely low-income households.

### Beaux Arts Village's Proposal and AHC Findings

Beaux Arts Village did not provide a land capacity analysis as part of its submission to the AHC. Without this, the AHC cannot determine if Beaux Arts Village has sufficient residential land capacity for its allocated housing need, as required by CPP H-11. However, the future land use map submitted to the AHC proposes maintaining the town's current single-family zoning across 100 percent of its residentially zoned land. Single family zoning does not provide capacity for housing affordable to households at or below 120 percent of AMI.¹ To plan for and accommodate its housing need and align with CPP H-11, Beaux Arts Village must demonstrate sufficient capacity for its housing needs.

Recommendation 1: To align with CPPs H-1 and H-11, Beaux Arts Village should complete a land capacity analysis and demonstrate they have sufficient capacity for one unit of housing at or below 30 percent of AMI. If the analysis reveals a deficit, Beaux Arts Village should propose changes and demonstrate that it will provide sufficient capacity for its housing need. Please see Washington State Department of Commerce's "Guidance for Updating Your Housing Element" as a guide for how to complete a land capacity analysis.

# 2. Meaningfully plan for and accommodate allocated housing needs and prioritize extremely low-income households (CPPs H-1 and H-2)

### Relevant Countywide Planning Policies

CPP H-1 requires Beaux Arts Village plan for and accommodate one non-permanent supportive housing unit affordable to extremely low-income households (incomes at or below 30 percent of

<sup>&</sup>lt;sup>1</sup> Washington State Department of Commerce (2023 August). *Guidance for Updating Your Housing Element*. Page 33. [link]

AMI). CPP H-2 requires all jurisdictions to prioritize the need for housing affordable to households less than or equal to 30 percent of AMI.

### Beaux Arts Village's Proposal and AHC Findings

Beaux Arts Village's submission identifies housing element policy H-1 as responsive to CPP H-2, which reads: "The Town of Beaux Arts will endorse adjustments to the Town's regulations on ADUs to align with state regulations, thereby promoting expanding housing choices."

The AHC appreciates Beaux Arts Village's proposal to allow more accessory dwelling units (ADUs) to increase housing diversity and options within the town. However, ADUs are not affordable to households at or below 30 percent of AMI in King County communities, so are not an appropriate strategy to address housing needs at this income level.

Furthermore, the AHC did not see a policy or strategy in the draft plan that explicitly *prioritizes* housing needs of households with incomes less than 30 percent of AMI (extremely low-income), as required by CPP H-2. Pairing this with the draft plan's lack of a land capacity analysis, the AHC is concerned that Beaux Arts Village is not planning for, accommodating, and prioritizing housing needs below 30 percent of AMI, as required by CPPs H-1 and H-2.

**Recommendation 2:** To align with CPPs H-1 and H-2, Beaux Arts Village should include a policy and identify a strategy that clearly states its intent to plan for, accommodate and prioritize its housing need of one unit of housing affordable at or below 30 percent of AMI.

The AHC sees numerous, creative ways that Beaux Arts Village could demonstrate an intention to plan for, accommodate, and prioritize extremely low-income housing. This includes:

- exploring partnerships with organizations that plan, fund, or develop low-density affordable housing projects such as the Block Project;<sup>2</sup>
- encouraging the siting of group homes in the town; and/or
- rezoning parcels suited for affordable development to low- or mid-rise multifamily.

For examples of other strategies Beaux Arts Village could use to align with CPP H-2, see the CPP Housing Chapter Technical Appendix.<sup>3</sup> If considering using ADUs to demonstrate housing capacity for extremely low-income households, Beaux Arts Village should:

- provide evidence in a detailed market analysis that ADUs are affordable to extremely low-income households; or
- propose subsidies or development incentives that set a reasonable expectation that ADUs would be affordable to extremely low-income households.

This update should inform and be consistent throughout Beaux Arts Village's comprehensive plan.

<sup>&</sup>lt;sup>2</sup> The Block Project. [link]

<sup>&</sup>lt;sup>3</sup> King County Countywide Planning Policies Appendix 4: Housing Technical Appendix, page 82. [link]

# 3. Increase supply of income-restricted housing and diversify housing types (CPPs H-10, H-13, H-14, and H-18)

### Relevant Countywide Planning Policies

CPP H-10 requires jurisdictions to adopt policies, incentives, strategies, actions, and regulations that increase the supply of long-term income-restricted housing for extremely low-, very low-, and low-income households and households with special needs. CPP H-13 requires jurisdictions to implement strategies to overcome cost barriers to housing affordability. CPP H-14 requires jurisdictions to prioritize resources for income-restricted housing, particularly for extremely low-income households, populations with special needs, and others with disproportionately greater housing needs. CPP H-18 requires jurisdictions adopt inclusive planning tools and policies whose purpose is to increase the ability of all residents in jurisdictions throughout the county to live in the neighborhood of their choice, reduce disparities in access to opportunity areas, and meet the needs of the region's current and future residents by:

- a) providing access to affordable housing to rent and own throughout the jurisdiction, with a focus on areas of high opportunity;
- b) expanding capacity for moderate-density housing throughout the jurisdiction;
- c) evaluating the feasibility of, and implementing, where appropriate, inclusionary and incentive zoning to provide affordable housing; and
- d) providing access to housing types that serve a range of household sizes, types, and incomes.

### Beaux Arts Village's Proposal and AHC Findings

All of Beaux Arts Village's residential land is zoned single family and requires a minimum lot size of 10,000 square feet (housing element, page 30). The town also has no units of income-restricted housing.<sup>4</sup> The draft plan has no land capacity analysis, no policies explicitly stating an intent to plan for and accommodate its housing needs, and no specific strategies to accommodate housing affordable to low-income households. Given this, the AHC finds that the draft plan does not set reasonable expectations that it will:

- increase the supply of and prioritize resources for income-restricted housing, as required by CPPs H-10 and H-14.
- overcome cost barriers to affordability (i.e. high minimum lot sizes and other restrictive development regulations) as required by CPP H-13,
- provide access to affordable housing throughout the town, as required by CPP H-18(a),
- and expand capacity for moderate-density housing and access to diverse housing types, as required by CPPs H-18(b) and H-18(d).

In order to increase and promote income-restricted housing in the town, Beaux Arts Village must demonstrate sufficient land capacity for housing needs below 30 percent of AMI and remove significant barriers to income-restricted housing production and affordability. Beaux Arts Village could implement other strategies to accommodate its housing needs (see recommendation two). In particular, the AHC sees an opportunity to align with CPP H-18(c) by evaluating the feasibility of and

<sup>&</sup>lt;sup>4</sup> Regional Affordable Housing Dashboard. King County. 2023. [link]

adopting an inclusionary housing policy concurrent with middle-housing density increases in the town required by House Bill 1110. Implementing an inclusionary program with in-lieu fees could provide Beaux Arts Village the opportunity to fund the production of an income-restricted unit within the town and throughout East King County through Beaux Arts Village's housing capital contributions to ARCH.

**Recommendation 3:** To align with CPPs H-10, H-13, H-14, and H-18, Beaux Arts Village should include policies, incentives, strategies, actions, and regulations in its draft comprehensive plan that increase the supply of long-term income-restricted housing, overcome cost barriers to affordability, prioritize resources for income-restricted housing, provide access to affordable housing to rent and own throughout the jurisdiction and expand capacity for moderate-density housing and access to diverse housing types.

One way to align with CPPs H-10, H-14, and H-18(c), would be to evaluate the feasibility of, and implement, where appropriate, inclusionary and incentive zoning to provide affordable housing. In developing this program, Beaux Arts Village should review recommendations in ARCH's 2024 Middle Housing Affordability Opportunities in East King County report, particularly those related to prioritizing on-site production of affordable homes when feasible and allowing fee-in-lieu payments when not. In-lieu fees should fund both income-restricted housing within the town and in East King County, in the form of contributions to ARCH.

# 4. Complete the housing inventory and analysis to inform policies and strategies (CPPs H-3, H-4, H-12, and H-20)

### Relevant Countywide Planning Policies

CPP H-3 directs jurisdictions to conduct a housing inventory and analysis to help identify and address the greatest needs as well as summarize the findings in the housing element. CPP H-4 requires jurisdictions identify gaps in existing partnerships for meeting housing needs and eliminating racial and other disparities in access to housing and neighborhoods of choice. CPP H-12 requires jurisdictions adopt and implement policies that improve the effectiveness of existing housing policies and strategies and address gaps in partnerships, policies, and dedicated resources to meet the jurisdiction's housing needs. CPP H-20 requires jurisdictions to adopt and implement policies that address gaps in partnerships, policies, and dedicated resources to eliminate racial and other disparities in access to housing and neighborhoods of choice.

#### Beaux Arts Village's Proposal and AHC Findings

While Beaux Arts Village's submission includes many data points and analysis, the AHC could not find specific information required by H-3(b), (d), (f), (g), (h), (j), (l), (m), and (n). This includes:

- b) number of existing housing units by housing type, age, number of bedrooms, condition, tenure, and area median income limit;
- d) percentage of residential land zoned for moderate- and high-density housing and ADUs in the jurisdiction;
- f) household characteristics, by race/ethnicity: 1) income, 2) tenure, 3) housing cost burden and severe cost burden;
- g) current population characteristics: 1) age by race/ethnicity, 2) disability

- h) projected population growth;
- j) ratio of housing to jobs in the jurisdiction;
- the housing needs of people who need supportive services or accessible units, including but not limited to people experiencing homelessness, persons with disabilities, people with medical conditions, and older adults;
- m) the housing needs of communities experiencing disproportionate harm of housing inequities including Black, Indigenous, and People of Color (BIPOC); and
- n) areas in the jurisdiction that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and public capital investments.

Additionally, while Beaux Arts Village's draft comprehensive plan includes narrative on the importance of partnerships to address housing needs, it does not include an analysis of gaps in partnerships, policies, and dedicated resources as required by CPP H-4. While Beaux Arts Village's proposed policies may address gaps in partnerships, the AHC cannot determine if Beaux Arts Village is aligned with CPPs H-12 and H-20 without this analysis.

**Recommendation 4:** Beaux Arts Village should include all inventory and analysis components as required by CPPs H-3(b), (d), (f), (g), (h), (j), (l), (m), (n), and H-4 in the comprehensive plan and summarize the findings in the housing element. Please see the Washington State Department of Commerce's <u>Appendix B: Adequate Provisions</u> <u>Checklists</u> as a guide for how Beaux Arts Village could conduct and use this analysis to address gaps and improve effectiveness of existing policies and strategies.

5. Document racially exclusive and discriminatory land use and housing practices and adopt intentional, targeted actions to repair harm (CPPs H-5 and H-9)

### Relevant Countywide Planning Policies

CPP H-5 requires jurisdictions to:

- document the local history and impact of racially exclusive and discriminatory land use and housing practices;
- explain the extent to which that history is still reflected in current development patterns, housing conditions, tenure, and access to opportunity; identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including zoning that may have a discriminatory effect, disinvestment, and infrastructure availability; and
- demonstrate how current strategies are addressing impacts of those racially exclusive and discriminatory policies and practices.

CPP H-9 requires jurisdictions to adopt intentional, targeted actions that repair harms to BIPOC households from identified past and current racially exclusive and discriminatory land use and housing practices (generally identified through CPP H-5).

### Beaux Arts Village's Proposal and AHC Findings

Beaux Arts Village's submission does not include clear documentation of the local history of racially exclusive or discriminatory land use and housing practices, or an analysis of racially disparate impacts required by CPP H-5. Without this analysis, the AHC cannot determine if Beaux Arts Village is

taking intentional, targeted actions to repair harm to BIPOC households from past and current racially exclusive and discriminatory land use and housing practices in alignment with CPP H-9.

The AHC is concerned about the lack of a racially disparate impact analysis and historical documentation of racially exclusive and discriminatory land use and housing practices due to information that Beaux Arts Village's draft plan provides on the town's demographics, land use patterns, and economic exclusivity. Beaux Arts Village has a significantly higher proportion of White residents and a lower proportion of residents of color than the overall countywide percentage (comprehensive plan, page 20). Beaux Arts Village's zoning map shows that all its residential parcels are zoned single family, which is most likely to serve households above 120 percent of AMI.<sup>5</sup> The draft plan also reports that the 2023 median property value in Beaux Arts Village was \$2.46 million (page 26). This property value is significantly out of reach for households earning 30 percent of AMI or below, who, in King County, are also disproportionately Black and Indigenous households. <sup>6</sup>

### **Recommendation 5:** To align with CPP H-5, Beaux Arts Village should:

- document the history of racially exclusive and discriminatory land use and housing practices within the town;
- explain the extent to which the history is still reflected in current development patterns, housing conditions, tenure, and access to opportunity;
- identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including zoning that may have a discriminatory effect, disinvestment, and infrastructure availability; and
- demonstrate how current strategies are addressing impacts of those racially exclusive and discriminatory policies and practices.

See "Resources for Documenting the Local History of Racially Exclusive and Discriminatory Land Use and Housing Practices" document for assistance.

To align with CPP H-9, Beaux Arts Village should adopt or clarify how proposed actions are targeted to repair harms identified in their racially disparate impacts analysis.

#### 6. Collaborate with populations most disproportionately impacted by housing cost burden (CPP H-8)

### Relevant Countywide Planning Policies

CPP H-8 requires jurisdictions to collaborate with and prioritize the needs of populations most disproportionately impacted by housing cost burden when developing, implementing, and monitoring strategies that achieve CPP Housing Chapter goals.

### Beaux Arts Village's Proposal and AHC Findings

Reviewing Beaux Arts Village's submission materials, the AHC could not determine if and how the Town collaborated with and prioritized input from populations most disproportionately impacted by housing cost burden, as required by CPP H-8.

<sup>&</sup>lt;sup>5</sup> Washington State Department of Commerce (2023 August). *Guidance for Updating Your Housing Element*. Page 33. [link]

<sup>&</sup>lt;sup>6</sup> Median household income dashboard. Communities Count. 2024 [link]

Firstly, the AHC cannot determine if Beaux Arts Village collaborated with and prioritized the needs of residents most disproportionately impacted by housing cost burden when developing the draft plan. According to Beaux Arts Village's housing element, over 25 percent of residents are housing cost burdened. However, this data is not disaggregated by any other factor, such as race/ethnicity, and the AHC cannot determine if a specific group is disproportionately housing cost-burdened and if they were engaged in plan development. Beaux Arts Village's housing element does identify fixed-income retirees as a potential risk for displacement (page 27). It does not appear, however, that Beaux Arts Village collaborated with these populations specifically.

The plan also does not document collaboration with populations disproportionately impacted by housing cost burden who do not reside in Beaux Arts Village but may be economically excluded from the Town.

**Recommendation 6:** To align with CPP H-8, Beaux Arts Village should demonstrate how the plan prioritizes the needs of populations most disproportionately impacted by housing cost burden, including both current residents and populations unable to afford housing within the Town.

### Conclusion and AHC Resources

Thank you again for your submission to the Committee's Housing-focused Draft Comprehensive Plan Review Program. AHC members valued the opportunity to review Beaux Arts Village 2025-2045 Comprehensive Plan Update and related submission materials. Beaux Arts Village's participation in the plan review program is instrumental in the broader work of the Committee to empower local jurisdictions to address the affordable housing crisis in King County.

AHC staff are happy to assist Beaux Arts Village in addressing these recommendations. For immediate resources and guidance on aligning with the CPP Housing Chapter, refer to the:

- Engrossed 2021 King County CPPs;
- AHC Housing-focused Draft Comprehensive Plan Review Program Guide; and
- King County Resources for Documenting the Local History of Racially Exclusive and Discriminatory Land Use and Housing Practices.

The AHC would also like to acknowledge that Beaux Arts Village may be challenged to address recommendations in this letter before the state-mandated deadline for comprehensive plan adoption of December 31, 2024, and may potentially adopt a comprehensive plan in 2024 that is not in alignment with the CPP Housing Chapter. In that case, the City is encouraged to amend its plan in 2025 to incorporate AHC feedback and bring its plan into alignment with the CPP Housing Chapter policies.

If you have questions or need additional information regarding aligning with the CPP Housing Chapter, please contact lead staff for the AHC plan review program, Carson Hartmann, at <a href="mailto:AHCplanreview@kingcounty.gov">AHCplanreview@kingcounty.gov</a> or 206-848-0681.

Sincerely,

Claudia Balducci

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