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Jason Greenspan, Community Development Director City of Bothell 18415 101st Ave NE Bothell, WA 98011

Dear Mr. Greenspan,

Thank you for submitting the City of Bothell's draft Imagine Bothell Comprehensive Plan to the Affordable Housing Committee's (AHC) Housing-focused Draft Comprehensive Plan Review Program for review on April 19, 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 King County Countywide Planning Policies (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 House Bill 1220, 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;
- 2. 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.

AHC members appreciate Bothell being one of the first jurisdictions to submit to the program in 2024. 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 Bothell's draft comprehensive plan. During review, the AHC noted that many of Bothell's plans, policies, analyses, and implementation strategies align well with CPP Housing Chapter policies. In particular,

- 1. Bothell's draft Housing Technical Appendix includes an extensive racially disparate impact (RDI) analysis (Section B.2) and documentation of the local history of racially exclusive land use and housing practices (Appendix C, Telling Bothell's Full Story). The RDI also includes a thorough displacement analysis that appears to inform anti-displacement measures proposed in the plan (Housing Technical Appendix, B-43-45).
- 2. Bothell's submission demonstrates early adoption of state-mandated middle housing requirements. This demonstrates a commitment to expanding middle housing options in the city. AHC staff also note from correspondences with jurisdiction staff that Bothell is committed to improving middle housing policy in the future, particularly as it relates to providing affordable housing in middle housing zones.

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

Recommendations to Align with the CPP Housing Chapter

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

1. Plan for, accommodate, and prioritize extremely low-income housing needs (CPPs H-1, H-2)

Relevant Countywide Planning Policies

CPP H-1 requires Bothell plan for and accommodate 5,800 net new housing units, including 1,105 units of permanent supportive housing and 2,100 non-permanent supportive housing units affordable to extremely low-income households (incomes at or below 30 percent area median income (AMI)). CPP H-2 requires all jurisdictions to prioritize the need for housing affordable to households less than or equal to 30 percent AMI.

Bothell's Proposal and AHC Findings

Bothell's draft Housing Element demonstrates sufficient capacity for its King County 2044 housing needs below 30 percent of AMI (Exhibits 3-12-14, pp.3-15-17). The plan also proposes policies and implementation strategies that will likely benefit extremely low-income households, including Housing Element Policy H-1-16 and H-4.1, Implementation strategy H-K, Capital Facilities Element CF-2.6, and Land Use Element Policy LU-2.6.

However, the AHC did not identify policies or implementation strategies that *prioritize* extremely low-income households. Housing Element policies H-1.7, H-2.1, and H-2.5 commit the city to increasing permanent supplies of affordable rental and owner-occupied housing, to supporting the development and preservation of affordable housing by public assistance and other means, and to meeting the city's proportionate share of countywide needs for *very low-, low-,* and *moderate-income* households. None of these policies, however, list *extremely low-income* households.

Recommendation 1: To align with CPPs H-1 and H-2, Bothell should amend their Housing and Land Use Element policies and implementation strategies to prioritize extremely low-income households. For examples of strategies jurisdictions could use to align with the CPPs, see the CPP Housing Chapter Technical Appendix.

2. Plan for and accommodate permanent supportive housing needs and emergency housing needs (CPP H-1)

Relevant Countywide Planning Policies

CPP H-1 requires Bothell plan for and accommodate 1,105 units of permanent supportive housing and 1,108 new emergency housing beds.

Bothell's Proposal and AHC Findings

Bothell's draft Housing Element narrative acknowledges that there are currently limited options in Bothell for permanent supportive housing, emergency housing, and emergency shelter (pp.3-13). Bothell's submission also includes policies that will likely support development of permanent supportive housing and emergency housing types (e.g. Policies H-4.2 and LU-2.6). The draft Housing Technical Appendix includes an extensive analysis of barriers to permanent supportive housing and emergency housing development (Exhibit B-64, pp.B-83-85).

Based on Bothell's analysis and proposed policies, the AHC believes Bothell likely intends to plan for and accommodate these housing types. However, the AHC does not see a policy or implementation strategy that explicitly demonstrates Bothell's intent to plan for and accommodate permanent supportive housing and emergency housing types. Notably, policy H-2.5 in the draft Housing Element commits Bothell to meeting "the city's proportionate share of countywide needs for *very low-, low-,* and *moderate-income* housing," but does not mention permanent supportive or emergency housing needs.

Recommendation 2: Bothell should amend its Housing Element to include policies and implementation strategies that demonstrate a clear intent to plan for and accommodate permanent supportive and emergency housing needs. Specifically, policy H-2.5 should include emergency and permanent supportive housing needs. For examples of strategies jurisdictions could use to align with the CPPs, see the CPP Housing Chapter Technical Appendix.¹

3. Complete the housing inventory and analysis (CPP H-3)

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.

¹ See King County Countywide Planning Policies Appendix 4: Housing Technical Appendix, pp.82 [link]

Bothell's Proposal and AHC Findings

While Bothell's submission includes many data points and substantive analysis, the AHC could not find specific information required by H-3 (b), (e), and (i). This includes:

- b) the number of income-restricted units by AMI limit;2
- e) the number of income-restricted units and, where feasible, total number of units within a half-mile walkshed of high-capacity or frequent transit service; and
- i) housing development capacity within a half-mile walkshed of high-capacity or frequent transit service, if applicable.

Recommendation 3: Bothell should include all inventory and analysis components as required by H-3 in the comprehensive plan and summarize the findings in the Housing Element. This additional analysis should inform additional comprehensive plan policy responses and strategies.

4. Adjust affordability assumptions for accessory dwelling units (CPP H-11)

Relevant Countywide Planning Policies

CPP H-11 requires jurisdictions identify sufficient capacity of land for housing including housing for low-, very low-, and extremely low-income households.

Bothell's Proposal and AHC Findings

Bothell's recent code amendments increase the areas where accessory dwelling units (ADUs) are allowed, in alignment with recent state legislation. The AHC appreciates Bothell's steps to allow more ADUs as a method of increasing housing diversity and options within traditionally single-family areas. However, land capacity analyses for Alternatives 2 and 3 in Bothell's Environmental Impact Statement (EIS) and draft Housing Technical Appendix count ADUs as housing affordable to households with incomes at or below 80 percent AMI.

The AHC does not consider ADUs a meaningful strategy to address housing needs below 80 percent of AMI in King County communities, which have relatively higher housing costs compared to the rest of the state. AHC staff identified this issue with Bothell staff, who have already begun adjusting their analysis and assumptions in the land capacity analysis.

² AHC staff can provide Bothell the data for this requirement upon request.

Recommendation 4: To align with CPP H-11, Bothell should update their land capacity analysis to:

- assume ADUs provide capacity for households above 80 percent of AMI, in alignment with Exhibit 13 in the Department of Commerce's land capacity analysis guidance,³
- provide evidence in a detailed market analysis that ADUs are affordable to lowincome households, or
- propose subsidies or development incentives that set a reasonable expectation that ADUs would be affordable to low-income households.

This update should inform and be consistent throughout Bothell's Housing Technical Appendix and Housing and Land Use elements.

5. Expand low-income housing options in low-density residential zones (CPPs H-9, H-18(a))

Relevant Countywide Planning Policies

CPP H-9 requires jurisdictions to adopt targeted actions that repair harms to Black, Indigenous, and other People of Color households from past and current racially exclusive and discriminatory land use and housing practices. CPP H-18(a) requires all jurisdictions to adopt inclusive planning tools and policies that increase the ability of all residents in jurisdictions throughout King 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 providing access to affordable housing to rent and own throughout the jurisdiction, with a focus on areas of high opportunity.

Bothell's Proposal and AHC Findings

Bothell's plan demonstrates sufficient capacity for housing needs below 80 percent of AMI in the King County portion of the city under current zoning (Draft Housing Element, Exhibit 3-12). Bothell's plan also considers two alternative Future Land Use Maps that would increase allowable densities in currently low-density residential areas. Bothell has also recently adopted a middle housing ordinance (Ordinance 2415) that allows for middle housing types in all residential areas and includes an affordable housing incentive. The AHC commends Bothell's efforts to increase housing density and to incentivize affordable housing in traditionally single-family areas. However, the AHC is concerned that these actions do not meaningfully provide access to affordable housing to rent and own throughout the jurisdiction.

The AHC finds that Bothell's plan does not set reasonable expectations that eight unit or smaller projects, which are the scale that would be allowed in the new Residential Low (R/L) and Residential Medium (R/M) zones, are a feasible project type for income-restricted affordable housing. Both Future Land Use Map alternatives therefore appear to make significant portions of Bothell inaccessible to low-income households, particularly in the area south of State Route 522 and west of Interstate 405. Furthermore, the plan's RDI analysis states that "people of color are more disposed to living in areas with multi-unit housing formats," suggesting a pattern of economic and racial exclusion (Housing Technical Appendix, p.B-46). The AHC is concerned that, without a strategy to increase housing options for low-income households in R/L and R/M zones, Bothell's plan will

³ Department of Commerce (2023, August). *Guidance for Updating Your Housing Element*. Chapter 3: Land Capacity Analysis. Page 33. [link]

perpetuate an economically and racially exclusive land use pattern in traditionally single-family neighborhoods.

Recommendation 5: To align with CPPs H-9 and H-18(a), Bothell should plan for and accommodate housing types affordable to 0 to 80 percent AMI households in all neighborhoods, particularly in R/L and R/M zones. Increasing access to these neighborhoods does not necessarily mean Bothell needs to allow multifamily housing in all Residential zones. Bothell should ensure its strategy and code changes to implement this goal provide feasible opportunities for the development of affordable housing. For examples of strategies Bothell could use to align with CPP H-9 and H-18(a), see the CPP Housing Chapter Technical Appendix.⁴

6. Address racial disparities in homeownership and cost burden (CPPs H-9, H-19, H-20)

Relevant Countywide Planning Policies

CPP H-9 requires jurisdictions to adopt targeted actions that repair harms to Black, Indigenous, and other People of Color households from past and current racially exclusive and discriminatory land use and housing practices. CPP H-19 requires jurisdictions to lower barriers to and promote access to affordable homeownership for extremely low-, very low-, and low-income households, with emphasis on remedying historical inequities in and expanding access to homeownership opportunities for Black, Indigenous, and People of Color households. 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.

Bothell's Proposal and AHC Findings

Bothell's draft Housing Technical Appendix and EIS include a thoughtful RDI analysis and documentation of historically exclusive and discriminatory land use and housing practices (Appendix C, Telling Bothell's Full Story). The RDI analysis identifies existing racial disparities in Bothell, including:

- lower homeownership rates for Black and Hispanic/Latinx households,
- higher rates of cost burden for Hispanic/Latinx homeowners, and
- higher rates of cost burden for Asian renters.

The draft plan proposes policies that will likely address these disparities (e.g. H-1.1, H-1.7, H-1.12, H-1.15, H-2.2). Policy H-3.11 explicitly commits Bothell to "incorporate findings from Racially Disparate Impacts (RDI) to ensure special needs and senior housing needs are met at all housing affordability levels."

The AHC commends the proposed policies as a first step towards addressing identified racial disparities in homeownership and cost burden. However, the AHC does not find that these actions represent "intentional, targeted actions to repair harms" to disparately impacted populations due to the lack of detail on the actions Bothell intends to take to address these disparities. In particular, the AHC noted the lack of policies and implementation strategies related to "remedying historical inequities in and expanding access to homeownership" for Black and Hispanic households.

⁴ See King County Countywide Planning Policies Appendix 4: Housing Technical Appendix, pp.88 and pp.96-97 [link]

Recommendation 6: To align with CPPs H-9, H-19, and H-20, Bothell should amend its Housing Element or implementation strategies to more clearly address racial disparities in homeownership rates and cost burden. For examples of strategies Bothell could use to align with the CPPs, see the CPP Housing Chapter Technical Appendix.

Conclusion and AHC Resources

Thank you again for your submission to the Committee's housing-focused comprehensive plan review program. AHC members valued the opportunity to review Bothell's draft Imagine Comprehensive Plan and related submission materials. Bothell'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 Bothell 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;
- King County Resources for Documenting the Local History of Racially Exclusive and Discriminatory Land Use and Housing Practices; and
- Countywide Planning Policies Housing Chapter Frequently Asked Questions.

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, Isaac Horwith, at AHCplanreview@kingcounty.gov or at 206-477-7813.

Sincerely,

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