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Eric Jensen
Planning Manager
City of Clyde Hill
9605 NE 24th Street
Clyde Hill, WA 98004

Dear Mr. Jensen,

Thank you for submitting the City of Clyde Hill's draft 2024 Comprehensive Plan to the Affordable Housing Committee's (AHC) Housing-focused Draft Comprehensive Plan Review Program for review on October 4, 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</u> <u>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 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.

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 Clyde Hill's draft comprehensive plan. During review, the AHC noted that many of Clyde Hill's plans, policies, analyses, and implementation strategies align well with CPP Housing Chapter policies. In particular, Clyde Hill is a member of A Regional Coalition for Housing (ARCH) and a regular contributor to ARCH's Housing Trust Fund, which funds affordable housing projects throughout member cities in East King County. This partnership aligns well with CPPs H-6, H-7, and H-14, which require jurisdictions to collaborate with diverse partners, including subregional entities, and prioritize local and regional resources for income-restricted housing.

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

Recommendations to Align with the CPP Housing Chapter

The AHC recommends Clyde Hill 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 Clyde Hill to plan for and accommodate ten net new housing units, including two units of permanent supportive housing, three units of non-permanent supportive housing units affordable to extremely low-income households (incomes at or below 30 percent area median income (AMI)), two units affordable to very low-income households (incomes between 30 and 50 percent AMI), three units affordable to low-income households (incomes between 50 and 80 percent AMI), as well as two emergency housing beds. CPP H-11 requires jurisdictions identify sufficient capacity of land for housing, including extremely low-income households.

Clyde Hill's Proposal and AHC Findings

Clyde Hill's land capacity analysis shows a deficit in capacity for housing needs affordable to households earning below 50 percent of AMI, including permanent supportive housing (Table 6, page D-4). Clyde Hill also assumes accessory dwelling units (ADUs) will meet the needs of very low-and low-income households (Land Capacity Analysis, Table 6, page D-4). According to the Washington State Department of Commerce's guidance, ADUs are only affordable to high-income households (incomes at or above 120 percent AMI).¹ Therefore, Clyde Hill has a deficit in capacity for housing needs for households earning less than 80 percent of AMI and does not demonstrate sufficient capacity for its allocated housing needs, as required by CPP H-11.

Clyde Hill did not include an emergency housing land capacity analysis in its draft comprehensive plan, as required by CPP H-11. Without this analysis, it appears that Clyde Hill is not planning for and accommodating its allocated emergency housing units, as required by CPP H-1. This analysis will enable Clyde Hill to determine if there is sufficient residential land capacity for its allocated emergency housing need.

¹ Washington State Department of Commerce (2024, September). *Guidance for Updating Your Housing Element*. Page 33. [link]

Recommendation 1: To align with CPPs H-1 and H-11, Clyde Hill should address the deficit of capacity for housing needs serving 0 to 80 percent of AMI households, including permanent supportive housing, by proposing changes to its land use map and demonstrate that it will provide sufficient capacity for its housing need.

The AHC sees numerous, creative ways that Clyde Hill could demonstrate an intention to plan for and accommodate its allocated housing needs. This includes:

- establishing partnerships with organizations that plan, fund, and develop lowdensity affordable housing projects;
- incentivizing the siting and development of group homes in the city; and/or
- rezoning parcels suited for affordable development to low- or mid-rise multifamily.

To align with CPP H-11, Clyde Hill should include an emergency land capacity analysis in its comprehensive plan. If the analysis reveals a deficit in emergency housing beds, Clyde Hill should propose changes and demonstrate that it will provide sufficient capacity for its emergency housing need. Clyde Hill should follow Washington State Department of Commerce's guidance for completing this land capacity analysis.

2. Meaningfully prioritize extremely low-income households (CPP H-2)

Relevant Countywide Planning Policies

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

Clyde Hill's Proposal and AHC Findings

Clyde Hill has numerous policies and implementation strategies that are supportive of housing affordable to extremely low-income households (e.g., Housing Policies 2.4, 3.4, 3.6, and 3.8). However, none of the policies explicitly *prioritize* extremely low-income households.

Recommendation 2: Clyde Hill should adopt policies and strategies that explicitly prioritize extremely low-income households. For examples of strategies jurisdictions could use to align with the CPPs, see the CPP Housing Chapter Technical Appendix.

3. 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 and 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.

Clyde Hill's Proposal and AHC Findings

While Clyde Hill's submission includes many data points and substantive analysis, the AHC could not find specific information required by H-3(a), (b), (d), (g), (j) and (m). This includes:

- a) the number of existing housing units necessary to plan for and accommodate projected growth and meet the projected housing needs articulated in Table H-2, including:
 - 1) permanent housing needs, which includes units for moderate-, low-, very low-, and extremely low-income households and permanent supportive housing; and
 - 2) emergency housing needs, which includes emergency housing and emergency shelters;
- b) the area median income limit (for income-restricted units);
- d) percentage of residential land zoned for moderate- and high-density housing and accessory dwelling units in the jurisdiction;
- g) age by race/ethnicity;
- i) ratio of housing to jobs in the jurisdiction; and
- m) the housing needs of communities experiencing disproportionate harm of housing inequities including Black, Indigenous, and People of Color.

Additionally, while Clyde Hill'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 Clyde Hill's proposed policies may address gaps in partnerships, the AHC cannot determine if Clyde Hill is aligned with CPPs H-12 and H-20 without this analysis. This additional analysis should inform comprehensive plan policy responses and strategies.

Recommendation 2: Clyde Hill should include all inventory and analysis components as required by CPP H-3(a), (b), (d), (g), (j) and (m), and CPP 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 Checklists</u> as a guide for how Clyde Hill could conduct a gap analysis to clarify how the plan is addressing gaps in policies, strategies, and partnerships. Clyde Hill should use findings from this analysis to inform policies and implementation strategies that respond to CPPs H-12 and H-20.

4. 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.

Clyde Hill's Proposal and AHC Findings

Clyde Hill's submission to the AHC includes thorough documentation and findings from its community engagement process. The AHC commends Clyde Hill for soliciting input from community members through two different surveys: the Comprehensive Plan Vision Survey and National Night-Out Survey. However, findings from this outreach do not describe takeaways from engagement with communities most disproportionately impacted by housing cost burden. For example, the draft plan finds that lower-income households are more likely to be housing cost burdened than higher-income

households (Appendix B: Racially Disparate Impacts Analysis, page B-4). The AHC did not see evidence of specific engagement with these communities or other disproportionately cost-burdened communities in King County in Clyde Hill's submission materials or in the draft plan.

The plan also does not document collaboration with populations disproportionately impacted by housing cost burden who do not reside in Clyde Hill but may be economically excluded from the jurisdiction.

Recommendation 4: To align with CPP H-8, Clyde Hill should demonstrate how they collaborated with and prioritized the solutions articulated by populations most disproportionately impacted by housing cost burden, including both current residents and populations unable to afford housing within Clyde Hill. This information should be included in the comprehensive plan.

5. 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.

Clyde Hill's Proposal and AHC Findings

In alignment with CPP H-5, Clyde Hill's racially disparate impact analysis thoroughly documents the local history of racially exclusive and discriminatory land use and housing practices and identifies how local policies and regulations result in racially disparate impacts, displacement, and exclusion in housing. The analysis describes how the prevalence of single-family housing and high land costs limit affordable housing options in the city, particularly for households of color, who have lower levels of wealth (Appendix B: Racially Disparate Impact analysis, pp. 6-9).

However, Clyde Hill does not propose intentional, targeted actions to address this racially disparate impact, as required by CPP H-9. Instead, the AHC finds that Clyde Hill preserves a land use pattern that perpetuates exclusion in housing.

Specifically, all of Clyde Hill's residential land is zoned Residential District (R-1). This zone currently allows for single-family and manufactured homes. The draft plans states that the City will also update regulations in these zones to allow for ADUs and middle housing types, as required by 2023 House Bill 1110. However, the AHC does not consider ADUs a housing type typically affordable to

households below 80 percent of AMI in King County. Likewise, a recent ARCH report showed that households will need incomes above 285 percent of AMI to affordable middle housing types, such as townhomes in Clyde Hill.² This means that all of Clyde Hill's residential zones will remain exclusive to low-income households.

Relatedly, Clyde Hill's proposed Land Use Element Goal 2 commits the City to "support and promote the predominant aesthetic of single-family homes in an open and natural setting and protect the neighborhood character and function of the city." Land Use Element policy 2.2 obligates the City to "maintain zoning primarily for single-family residential development to protect the scale and form of existing neighborhoods." The AHC finds that both land use policies represent a formal commitment from the City to maintaining exclusive land use patterns, which, per the submitted racially disparate impact analysis, have resulted in racial and economic exclusion.

Recommendation 5: To align with CPP H-9, Clyde Hill should adopt targeted actions to repair harms identified in its racially disparate impact analysis, particularly those relating to racial and economic exclusion. The City should remove policies from its draft plan that support land use patterns that exclude low-income households, who, in King County, are disproportionately Black and Indigenous. For strategies to align with CPP H-9, see the CPP Housing Chapter Technical Appendix.³

6. Increase supply of income-restricted housing and diversify housing types (CPPs H-10, H-13, 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-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, especially in areas currently zoned for lower density single-family detached housing in the Urban Growth Area, and capacity for high-density housing, where appropriate, consistent with the Regional Growth Strategy; and c) evaluating the feasibility of, and implementing, where appropriate, inclusionary and incentive zoning to provide affordable housing.

Clyde Hill's Proposal and AHC Findings

Clyde Hill does not allow low-rise or mid-rise multifamily anywhere within the city, which are the only zone categories typically affordable to households at incomes below 80 percent of AMI.⁴ Additionally,

² A Regional Coalition for Housing (2024). *Middle Housing Affordability Opportunities in East King County:* Analysis, Policy Recommendations and Considerations for Local Implementation of HB 1110. [link]

³ King County Countywide Planning Policies Appendix 4: Housing Technical Appendix, pp. 86-87. [link]

⁴ Washington State Department of Commerce (2024, September). *Guidance for Updating Your Housing Element*. Page 33. [link]

there are no income-restricted housing units in the city.⁵ Clyde Hill's land capacity analysis reveals a deficit in capacity for housing needs affordable to households at or below 50 percent of AMI. Additionally, Clyde Hill has barriers to sufficient production of housing types that serve extremely low-income households, including permanent supportive housing, as shown in Clyde Hill's land capacity analysis (Table 8, page D-5).

The AHC is concerned that the draft plan does not respond to these barriers, as required by CPP H-13, or otherwise support increasing the supply of income-restricted housing, as required by CPP H-10. Without multifamily zoned capacity, it also appears that Clyde Hill will not provide access to affordable housing throughout the city, as required by CPP H-18(a).

In order to increase and promote income-restricted housing in the city, Clyde Hill must demonstrate sufficient land capacity for housing needs below 80 percent of AMI and remove significant barriers to income-restricted housing production and affordability. Clyde Hill could implement a number of strategies to accommodate its housing needs. In particular, the AHC sees an opportunity to align with CPP H-18(c) by evaluating the feasibility of and adopting an inclusionary housing policy concurrent with middle-housing density increases in the city, as required by House Bill 1110. Implementing an inclusionary program with in-lieu fees could provide Clyde Hill the opportunity to fund the production of income-restricted units within the city and throughout East King County through Clyde Hill's housing capital contributions to ARCH.

Recommendation 6: To align with CPPs H-10, H-13, and H-18, Clyde Hill 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, and provide access to affordable housing to rent and own throughout the jurisdiction.

One way to align with CPPs H-10, H-14, and H-18, would be to evaluate the feasibility of, and implement, where appropriate, inclusionary zoning to provide affordable housing. In developing this program, Clyde Hill 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 city and in East King County, in the form of contributions to ARCH.

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 Clyde Hill's draft 2024 Comprehensive Plan and related submission materials. Clyde Hill'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 Clyde Hill in addressing these recommendations. For immediate resources and guidance on aligning with the CPP Housing Chapter, refer to the:

Engrossed 2021 King County CPPs;

⁵ King County (2023). Regional Affordable Housing Dashboard. [link]

- 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 Clyde Hill 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, Clyde Hill is encouraged to amend its plan in 2025 to incorporate AHC feedback and bring its plan into alignment with the King County 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 AHCplanreview@kingcounty.gov or 206-848-0681.

Sincerely,

Claudia Balducci

Affordable Housing Committee Chair King County Councilmember, District 6

Gaudi Mr. Beld

CC Dow Constantine Growth Management Planning Council Chair King County Executive

> Laura Hodgson Senior Planner Washington State Department of Commerce

Plan Review Team
Puget Sound Regional Council

Plan Review Team King County Affordable Housing Committee