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Stephen Padua, Long Range Planning Manager City of Issaquah 130 E Sunset Way, Issaquah, WA 98027

Dear Mr. Padua.

Thank you for submitting the City of Issaquah's draft comprehensive plan to the Affordable Housing Committee's (AHC) Housing-focused Draft Comprehensive Plan Review Program for review on May 16, 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 Issaquah being one of the earlier 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 Issaquah's draft comprehensive plan. During review, the AHC noted that many of Issaquah's plans, policies, analyses, and implementation strategies align well with CPP Housing Chapter policies. In particular,

- Issaquah plans to prioritize affordable housing on surplus city-owned land, with a preference
 for extremely low- and low-income households. Issaquah staff indicated that Issaquah is
 actively planning to surplus multiple properties, and the AHC looks forward to monitoring
 progress on this effort.
- 2. The recently adopted Central Issaquah Pioneer Program is a strong example of Issaquah proactively planning for housing density and housing affordability near the future light rail station. The program incentivizes multifamily development in the urban core using tax exemptions. While the program only applies to two developments in the area, each project could produce up to 400 units. Additionally, Issaquah is engaging residents and businesses to understand their visions for the future light rail station.
- 3. Issaquah's proposed land use map permits multifamily residential housing throughout the jurisdiction. This housing is more likely to serve low-, very low-, extremely low-, and moderate-income households compared to housing in low-density zones. Allowing multifamily housing throughout the jurisdiction increases access to neighborhoods of choice, in alignment with CPP H-18.

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

Recommendations to Align with the CPP Housing Chapter

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

1. Prioritize extremely low-income households (CPP H-2)

Relevant Countywide Planning Policies

CPP H-2 requires jurisdictions prioritize the need for housing affordable to households with incomes less than or equal to 30 percent of area median income (AMI).

Issaguah's Proposal and AHC Findings

Issaquah's draft Housing Element policy C3 prioritizes the need for housing affordability for households at or below 50 percent AMI. Although 0 to 30 AMI households are included within 0 to 50 percent AMI, this policy is not exactly aligned with CPP H-2. Issaquah's submission to the AHC also identifies their partnership with A Regional Coalition for Housing (ARCH) as an implementation strategy responsive to CPP H-2. While this partnership does serve extremely low-income households, and ARCH has prioritized projects serving 0 to 30 percent AMI households in past requests for proposals, it is not clear if ARCH will prioritize these projects throughout the planning period.

Recommendation 1: Issaquah should amend its policies and implementation strategies submitted to the AHC to more explicitly prioritize the housing needs of 0 to 30 percent AMI households. For examples of strategies jurisdictions could use to align with CPP H-2, see the CPP Housing Chapter Technical Appendix.¹

2. 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.

Issaguah's Proposal and AHC Findings

While Issaquah's submission includes many data points and substantive analysis, the AHC could not find specific information required by H-3(b), (c), (d), (g), (h), (k), and (l). This includes:

- b) number of existing housing units by housing condition;
- c) number of existing emergency housing, emergency shelters, and permanent supportive housing facilities and units or beds;
- d) percentage of residential land zoned for moderate- and high-density housing and accessory dwelling units in the jurisdiction;
- g) current population characteristics by race/ethnicity;
- h) projected population growth;
- k) summary of proposed partnerships and strategies, including dedicated resources, for meeting housing needs, particularly for populations disparately impacted; and
- 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.

Additionally, while Issaquah's Housing Inventory and Analysis includes some analysis of barriers to development of housing, it does not include an analysis of gaps in partnerships, as required by CPP H-4. While Issaquah's proposed policies may address gaps in partnerships, the AHC cannot determine if Issaquah is aligned with CPPs H-12 and H-20 without this analysis.

Recommendation 2: Issaquah should include all inventory and analysis components as required by H-3 and H-4 in the comprehensive plan and summarize the findings in the Housing Element. Please see the Washington State Department of Commerce's "Adequate Provisions Checklists" as a guide for how Issaquah could conduct and use this analysis to address those gaps and improve effectiveness of existing policies and strategies.

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

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

Relevant Countywide Planning Policies

CPP H-8 requires all jurisdictions to collaborate with and prioritize the needs of populations most disproportionately impacted by housing cost burden.

Issaguah's Proposal and AHC Findings

Issaquah's submission proposes policy A5, to "Collaborate with populations most disproportionately impacted by housing cost burden in developing regulations that prioritize the needs and solutions articulated by these disproportionately impacted populations." This proposed policy is in close alignment with CPP H-8. However, CPP H-8 requires jurisdictions do this work *in developing* the strategies responsive to the CPP Housing Chapter, which means policies committing to future action aren't sufficient on their own. Issaquah's submission does not identify specific input or themes from populations most disproportionately impacted by housing cost burden that informed the development of its plan. Without this information, the AHC cannot determine if Issaquah is prioritizing the needs and solutions articulated by these communities.

Recommendation 3: To align with CPP H-8, Issaquah should demonstrate how they collaborated with and prioritized the needs of populations most disproportionately impacted by housing cost burden.

4. Strengthen affordable homeownership implementation strategies (CPPs H-9 and H-19)

Relevant Countywide Planning Policies

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. CPP H-19 requires jurisdictions to lower barriers to and promote access to affordable homeownership for extremely low-, very low-, and low-income households.

Issaguah's Proposal and AHC Findings

Issaquah's Racially Disparate Impacts Analysis includes substantive information and represents a good faith effort to align with new state and county policies regarding racially disparate impacts. The analysis finds that Asian and White households are more likely to be homeowners (page 9). While Issaquah's housing policies A6 and C6 promote homeownership opportunities for BIPOC and extremely low-, very low-, and low-income households, the implementation strategies Issaquah submitted as responsive to H-19 do not clearly address affordable homeownership.

Recommendation 4: To align with CPPs H-9 and H-19, Issaquah should develop more detailed implementation strategies that clearly demonstrate how Issaquah will increase access to affordable homeownership opportunities for BIPOC and low-income communities. Issaquah can submit updated implementation strategies after it adopts its comprehensive plan.

5. Partner with Sound Transit to help ensure future light rail stations are in areas conducive to housing development, including income-restricted housing (CPPs H-16 and H-17)

Relevant Countywide Planning Policies

CPP H-16 requires jurisdictions expand the supply and range of housing types, including affordable units, at densities sufficient to maximize the benefits of transit investments throughout the county. CPP H-17 requires jurisdictions support the development and preservation of income-restricted affordable housing that is within walking distance to planned or existing high-capacity and frequent transit.

Issaquah's Proposal and AHC Findings

Issaquah's draft Transportation Element policy C5 proposes committing to partner with Sound Transit "in bringing light rail service to Issaquah." However, this policy does not address maximizing the benefit of the investment in meeting its housing need or supporting the development and preservation of income-restricted housing around the light rail. While Issaquah has another major periodic update to their comprehensive plan before the South Kirkland-Issaquah Link expansion is scheduled to open around 2041, the AHC believes Issaquah should begin partnering with Sound Transit as early as possible. They should ensure the future stations are located in areas conducive to housing density and give Issaquah time to identify opportunities to support development of incomerestricted housing before market rate development occurs in that area. Issaquah staff indicated to AHC staff that they intend to coordinate with Sound Transit on this issue, and a policy committing to future coordination would ensure this happens throughout the planning period.

Recommendation 5: To align with CPPs H-16 and H-17, Issaquah should amend their Transportation Element policy C5 or adopt a new policy that commits to partnering with Sound Transit to locate the future light rail station in areas with high housing development potential and high access to opportunity, as well as explore strategies to support development and preservation of income-restricted housing nearby.

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 Issaquah's Draft Comprehensive Plan Elements for Public Review and related submission materials. Issaquah'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 Issaquah 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
- <u>King County Resources for Documenting the Local History of Racially Exclusive and</u>
 Discriminatory Land Use and Housing Practices.

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,

Maudin Mr. Bald

Claudia Balducci

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