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December 5, 2024

Erin Fitzgibbons
Community Development Director
City of Newcastle
12835 Newcastle Way
Suite 200
Newcastle, WA 98056

Dear Ms. Fitzgibbons,

Thank you for submitting the City of Newcastle's draft 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 [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 [GMPC Motion 23-2](#). 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 Newcastle's draft comprehensive plan. During review, the AHC noted that many of Newcastle's plans, policies, analyses, and implementation strategies align well with CPP Housing Chapter policies. In particular:

1. Newcastle 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 collaboration with diverse partners, including subregional entities, and prioritize local and regional resources for income-restricted housing.
2. Newcastle has an existing inclusionary housing program and, as an implementation strategy, commits the City to improving and potentially expanding the program to transit accessible areas. The existing program and commitments to improve it align well with CPPs H-4, H-10, H-12, H-15, H-16, and H-17, which require jurisdictions to evaluate and adopt policies that improve the effectiveness of existing strategies, including increasing the supply of income-restricted housing and expanding housing choices that are co-located with a reasonable commute to major employment centers, within walking distance to planned or existing high-capacity and frequent transit, and in areas to maximize transit investments.

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

Recommendations to Align with the CPP Housing Chapter

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

- 1. 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.

Newcastle's Proposal and AHC Findings

While Newcastle's submission includes many data points and substantive analysis, the AHC could not find specific information required by CPP H-3(a), (b), (d), (e), (g), (l), 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) Number of existing housing units by number of bedrooms and condition;
- d) Percentage of residential land zoned for moderate- and high-density housing and accessory dwelling units in the jurisdiction;
- e) Number of income-restricted units and, where feasible, total number of units, within a half-mile walkshed of high-capacity or frequent transit service where applicable and regional and countywide centers;
- g) Current population characteristics: 1) age by race/ethnicity, 2) disability;
- l) 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; and
- m) The housing needs of communities experiencing disproportionate harm of housing inequities including Black, Indigenous, and People of Color.

Additionally, while Newcastle’s draft comprehensive plan includes narrative on its partnership with ARCH, it does not include an analysis of gaps in partnerships, policies, and dedicated resources as required by CPP H-4. While Newcastle’s proposed policies may address gaps in partnerships, the AHC cannot determine if Newcastle is aligned with CPPs H-12 and H-20 without this analysis. This additional analysis should inform additional comprehensive plan policy responses and strategies.

Recommendation 1: Newcastle should include all inventory and analysis components as required by CPP H-3(a), (b), (d), (e), (g), (l), 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 [Appendix B: Adequate Provisions Checklists](#) as a guide for how Newcastle could conduct a gap analysis to clarify how the plan is addressing gaps in policies, strategies, and partnerships. Newcastle should use findings from this analysis to inform policies and implementation strategies that respond to CPPs H-12 and H-20.

2. 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.

Newcastle’s Proposal and AHC Findings

Newcastle’s submission to the AHC includes thorough documentation and findings from its public involvement process. The AHC commends Newcastle for soliciting input from community members through regular and special Planning Commission meetings, town halls, open houses, and other events. 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 Black or African American and Hispanic or Latino renter households are disproportionately more likely to be housing cost burdened (Appendix A: Racially Disparate Impacts, Displacement, and Exclusion Analysis, page 133). The AHC did not see evidence of specific engagement with these communities or other disproportionately cost-burdened communities in King County in Newcastle’s submission materials or in the draft plan.¹

Recommendation 2: To align with CPP H-8, Newcastle should demonstrate how they collaborated with and prioritized the solutions articulated by populations most disproportionately impacted by housing cost burden. This information should be included in the comprehensive plan.

3. Demonstrate sufficient capacity for emergency housing units (CPPs H-1 and H-11)

Relevant Countywide Planning Policies

CPP H-1 requires Newcastle to plan for and accommodate 283 emergency housing beds. CPP H-11 requires jurisdictions to identify sufficient capacity of land for housing, including emergency housing and emergency shelters.

Newcastle’s Proposal and AHC Findings

Newcastle acknowledges the requirement to provide sufficient capacity of land for housing for all income groups, including emergency housing and emergency shelters (Draft Newcastle Comprehensive Plan, page 38), and documents its new emergency housing need of 283 beds (Draft Newcastle Comprehensive Plan, page 46).

However, Newcastle did not submit an emergency housing land capacity analysis as part of the draft comprehensive plan, as required by CPP H-11. Without this, the AHC cannot determine if Newcastle has sufficient land capacity for its allocated emergency housing need, which makes it difficult to assess the plan’s alignment with CPPs H-1 and H-11. In a meeting with AHC staff, Newcastle staff explained they intend to include an emergency land capacity analysis in an amendment to the comprehensive plan in 2025 or 2026.

Recommendation 3: To align with CPPs H-1 and H-11, Newcastle should demonstrate that it is providing sufficient capacity for its allocated emergency housing needs with an emergency land capacity analysis. If the analysis reveals a deficit, Newcastle should propose changes and demonstrate that it will provide sufficient capacity for all income levels. 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.

4. Increase housing options for 0 to 80 percent of AMI households in Residential zones (CPPs H-18 and H-22)

Relevant Countywide Planning Policies

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

¹ In a meeting with AHC staff, Newcastle staff explained that the City collaborated with ARCH to engage community-based organizations that work with populations disproportionately housing cost burdened in East King County, including Eastside for All, prior to draft comprehensive plan development. This engagement informed the draft comprehensive plan. However, because the City did not include this engagement in Newcastle’s draft comprehensive plan, the AHC could not determine alignment with CPP H-8.

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. CPP H-22 requires jurisdictions to implement, promote, and enforce fair housing policies and practices so that every person in the county has equitable access and opportunity to thrive in their communities of choice.

Newcastle's Proposal and AHC Findings

To allow for a greater range of housing types and options, Newcastle's draft plan proposes policies and strategies to support the development of middle housing, accessory dwelling units (ADUs), and mixed-income housing types (see Draft Housing Element policies P4, P6, P7, and P17). Additionally, Newcastle proposes maintaining its Downtown Transition, Mixed Use, and Downtown Core zones where low-rise and midrise multifamily housing is permitted.

While the AHC commends these efforts, the draft plan does not set reasonable expectations that these strategies alone will provide affordable housing *throughout* the jurisdiction, as required by CPP H-18(a), or promote fair housing policies and practices so that every person in the county has equitable access and opportunity to thrive in their communities of choice, as required by CPP H-22.

As shown in Newcastle's land capacity analysis, all of the city's mid- and low-rise housing capacity is found in the Downtown Transition, Mixed Use, and Downtown Core zones. Newcastle's low-density zones, which allow for middle housing and ADUs, take up the majority of the city's residentially zoned land. Newcastle's land capacity analysis assumes ADUs to be affordable to low-income (50 to 80 percent AMI) households (Draft Newcastle Comprehensive Plan, page 47). However, the AHC does not consider middle housing types (e.g., townhomes, duplexes, quadplexes) or ADUs affordable to households below 80 percent of AMI in King County communities, which have relatively higher housing costs compared to the rest of the state.² Additionally, a recent ARCH report found middle housing to be affordable at a minimum to households with incomes of 140 percent of AMI or above in Newcastle.³ This means that the majority of Newcastle's residential areas will remain economically exclusive to low-income households.

Recommendation 4: To align with CPPs H-18(a) and H-22, Newcastle should include additional or revised policies and/or implementation strategies that increase housing options for 0 to 80 percent of AMI households throughout the jurisdiction. Increasing access does not necessarily mean Newcastle needs to allow for midrise zoning in all residential zones, especially in areas without sewer infrastructure. Any land use capacity changes should be consistent with countywide and regional requirements.

In responding to this recommendation, the AHC encourages Newcastle staff to incorporate recommendations from ARCH's 2024 [Middle Housing Affordability Opportunities in East King County](#) into the draft plan and in future amendments to the City's implementation strategies.

² Washington State Department of Commerce (2024, September). *Guidance for Updating Your Housing Element*. Page 33. [\[link\]](#)

³ ARCH. (2024, June). *Middle Housing Affordability Opportunities in East King County: Analysis, Policy Recommendations and Considerations for Local Implementation of HB 1110*. page 19-20. [\[link\]](#)

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 Newcastle's draft Comprehensive Plan and related submission materials. Newcastle'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.

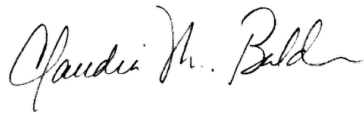
AHC staff are happy to assist Newcastle in addressing these recommendations. For immediate resources and guidance on aligning with the CPP Housing Chapter, refer to the:

- [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 Newcastle 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, Newcastle 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,



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