

## Regional Needs Allocation Process Summary

### Background

In 2021, the Washington State Legislature passed House Bill 1220, which directed the Department of Commerce (Commerce) to supply two types of housing need projections that jurisdictions must plan for and accommodate in their 2020-2044 comprehensive plans, among other amendments to housing element requirements in the Growth Management Act. These include:

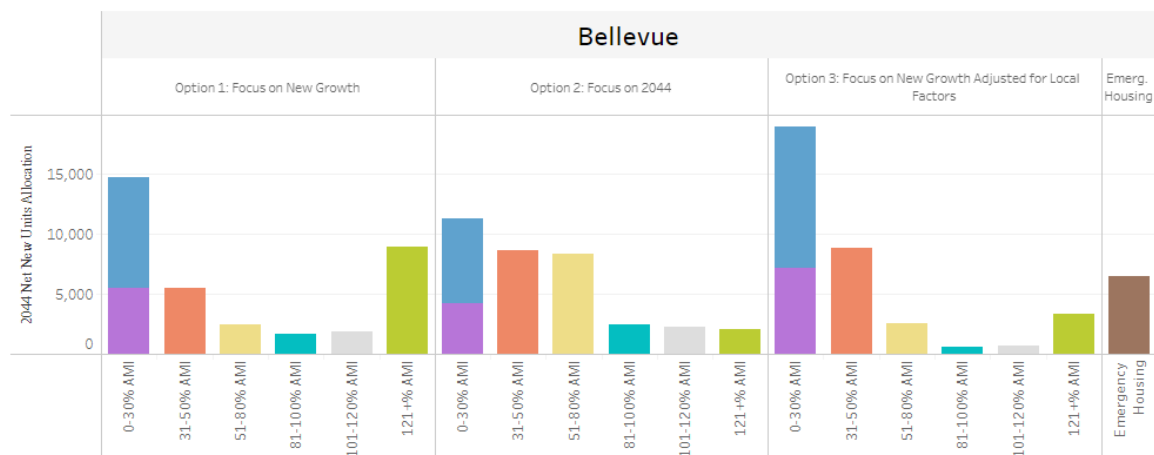
1. By income level: 0-30, 31-50, 51-80, 81-120, >120 percent area median income (AMI), and
2. Special housing: emergency housing, emergency shelters, and permanent supportive housing.

King County staff have proposed three options that have been discussed several times with the King County Affordable Housing Committee (AHC) over recent months. The three options have not changed since those discussions and include:

- Option 1: Focus on New Growth: Same shares of new housing growth are affordable in every jurisdiction
- Option 2: Focus on 2044: Same percent shares of total housing stock in 2044 are affordable in every jurisdiction
- Option 3: Focus on new growth adjusted for local factors: Same percent shares of new housing growth are affordable in every jurisdiction and adjusts outputs within each income band by three factors that increase housing choice in places with fewer affordable housing options, fewer income-restricted housing options, and a greater imbalance of low-wage workers to low-wage jobs housing
  - Percent share of the jurisdiction's housing that's currently affordable at 0-80 percent AMI
  - Percent share of the jurisdiction's housing that's currently income restricted at 0-80 percent AMI
  - Subregional ratio of low-wage jobs to low-wage workers

### Impact to Bellevue

The following chart displays the various draft allocations for each option above for the City of Bellevue. This chart was copied from King County's dashboard on allocating housing needs across the jurisdictions. The 0-30% AMI category includes both Permanent Supportive Housing shown in magenta and other 0-30% AMI housing shown in blue.



Data Notes: Option 1 and Option 2 developed using draft version of Dept. of Commerce's Housing Needs Allocation Tool. See Appendix 1 for Local Factors used in Option 3. Produced by King County Department of Community and Human Services, Performance Measurement and Evaluation, November 29, 2022

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County staff have presented Option 3 as the recommended approach for allocating housing need. Bellevue Staff have repeatedly recommended expressing reservations and concerns about Option 3 throughout the process. In particular, Option 3 allocates significantly more housing at the deepest affordability levels (0-30% AMI, including permanent supportive housing types) to the City of Bellevue than other options. This approach would, were it achieved, result in the City of Bellevue supporting significantly more 0-30% AMI by percentage of total housing than most other King County jurisdictions by 2044. However, the City has compromised by supporting bringing Option 3 forward while working collaboratively to ensure that the amendments to the Countywide Planning Policies (CPPs) make it very clear how cities will be impacted if they do not meet the needs allocations.

### Regional Discussion

At the November 3, 2022 AHC meeting, the committee recommended action on a methodology for establishing jurisdictional affordable housing targets as required by King County Growth Management Planning Council (GMPC) Motion 21-1 for Option 3. The three options for establishing jurisdictional affordable housing needs are described above. They also received a briefing on countywide and jurisdictional permanent supportive housing and emergency housing/shelter needs. As amended by HB 1220, the Growth Management Act requires three types of special housing needs to be allocated alongside the income level allocations by jurisdictions. These include:

- Permanent Supportive Housing
- Emergency Shelters
- Emergency Housing

Due to the overlapping nature of the latter two, both emergency housing types have been combined into one category in Commerce's distribution to the counties. The county has distributed these emergency housing beds/rooms/units fairly based on the total housing target for each jurisdiction, equaling about 18.5% of the total target. These emergency housing beds/rooms/units are in addition to that total housing target, as they are not permanent housing units.

The CPP amendments are also being actively discussed. AHC members discussed the proposed CPP amendments and recommended approval of the amendments to the GMPC at the **December 9, 2022 meeting**. Draft CPP amendments reflect:

- Updates to the Growth Management Act that require jurisdictions to plan for and accommodate projected housing needs at different income levels and for special housing types;
- New state projections of countywide housing need by income level and special housing type and allocation of that need to King County jurisdictions;
- The 2021 amended King County CPP Housing Chapter created a shared framework for housing planning across jurisdictions in King County, in accordance with the Washington State Growth Management Act and Puget Sound Regional Council's VISION 2050 multicounty planning policies. Jurisdictions in King County are expected to use the CPP Housing Chapter framework to guide the housing element of their comprehensive plans and this shared framework or accountability framework was approved by the AHC.
- The AHC-approved accountability framework included a comprehensive plan review process, procedure for monitoring and reporting of jurisdictional housing data, and a midcycle review

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and adjustment process.

The proposed amendments include changes to the Development Patterns and Housing Chapters of the CPPs as well as to the Housing Technical Appendix.

Bellevue's representatives, which include Mayor Robinson on the AHC and Deputy Mayor Nieuwenhuis, on GMPC have taken a very active part in the process and have played a significant role in making recommended changes to the CPP amendments, including ensuring that the CPP language provided clarity about jurisdictions roles in planning for the housing need and not being held accountable for creation of the units.

The GMPC has also received updates on the above topics and will ultimately vote on the both the housing needs allocation approach and the review process in early to mid 2023 which will then be forwarded to the King County Council for approval followed by ratification by member jurisdictions in early 2024.