



Puget Sound Regional Council

Growth Management Policy Board

Thursday, March 4, 2021 • 10:00 AM – 12:00 PM

Remote Only

The meeting will be streamed live over the Internet at www.psrc.org.

PUBLIC NOTICE: In accordance with the Governor's proclamations, PSRC's offices are closed to the public and no in-person meetings are permitted. Should any major changes to current guidance occur, this meeting may be rescheduled. Watch the meeting live stream at <https://www.psrc.org/boards/watch-meetings> or listen by phone at 1-888-475-4499, Meeting ID: 958 2025 4912, Passcode: 811735.

Public comment may be made via Zoom or phone. Registration is required and closes one hour before the meeting starts. Late registrations will not be accepted. Register here: [link to form](#). Comments may also be submitted via email to kmitchell@psrc.org up to one hour before the meeting and these comments will be emailed to Board members. Comments received after that deadline will be provided to Board members after the meeting.

- *****
1. **Call to Order (10:00) - Councilmember Scott Bader, Chair**
 2. **Communications and Public Comment**
 3. **Report of the Chair**
 4. **Director's Report**
 5. **Consent Agenda (10:15)**
 - a. Approve Minutes of Growth Management Policy Board Meeting held February 4, 2021
 6. **Discussion Item (10:20)**
 - a. Regional Housing Strategy: Needs Assessment Key Findings and Next Steps --
Laura Benjamin, PSRC
 7. **Breakout Session (11:05)**

The board will break into small groups to discuss the topic. The breakout sessions are open to the public, but will not be web streamed as simultaneous discussions will take place. Call-in instructions for members of public will be provided during the meeting. If you would like to listen, please join at this time. The breakout sessions will be recorded and video provided after the meeting.
 8. **Continue Regional Housing Strategy Discussion (11:35)**
 9. **Next Meeting: April 1, 2021, 10:00 a.m. - 12:00 p.m.**

Major Topic for April: Plan Review
SAVE THE DATE! General Assembly – Thursday, April 29, 2021, 9 – 11:30 AM, Virtual Meeting
 10. **Adjourn (12:00)**

Board members please submit proposed amendments and materials prior to the meeting for distribution. Organizations/individuals may submit information for distribution. Send to Kristin Mitchell, e-mail kmitchell@psrc.org, fax 206-587-4825; or mail.

Sign language, and communication material in alternative formats, can be arranged given sufficient notice by calling 206-464-7090 or TTY Relay 711. العربية | Arabic, 中文 | Chinese, Deutsch | German, Français | French, 한국어 | Korean, Русский | Russian, Español | Spanish, Tagalog, Tiếng việt | Vietnamese, Call 206-402-1334.



Puget Sound Regional Council

MINUTES

Growth Management Policy Board

February 4, 2021

Virtual Meeting

[To watch a video of the meeting and hear the discussion, go to <https://www.psrc.org/boards/watch-meetings>]

CALL TO ORDER

The meeting was called to order at 10:00 a.m. by Chair Bader.

COMMUNICATIONS

Maria Batayola representing Beacon Hill Council and El Centro De La Raza spoke to VISION 2050.

Denise Stiffarm with Pacifica Law Group spoke to school siting.

CHAIR'S REPORT

Chair Bader welcomed Councilmember Hans Zeiger as the new member for Pierce County replacing Councilmember Derek Young. Chair Bader thanked Councilmember Young for his contributions to the board. It was also announced that the alternate for Pierce County changed from Councilmember Dave Morell to Councilmember Ryan Mello. Chair Bader welcomed Dr. Gib Morrow from Kitsap Public Health District as the new alternate representing Kitsap Public Health District.

DIRECTOR'S REPORT

Director of Growth Management Paul Inghram announced General Assembly is scheduled for Thursday, April 29 from 9:00 – 11:30 a.m. It will be held remotely. Registration will open the first week of April.

CONSENT AGENDA

- a. Approve Minutes of Growth Management Policy Board Meeting held January 7, 2021

ACTION: It was moved and seconded (Prince/Buxton) to adopt the Consent Agenda. Motion passed.

DRAFT FY2022-2023 BIENNIAL BUDGET AND WORK PROGRAM

Chief Financial Officer Diana Lauderbach presented on the planned FY2022/2023 budget and Mr. Inghram shared the work program included in the budget. Next steps include the Operations Committee finalizing and recommending the draft budget to the Executive Board on March 25, 2021, and then the Executive Board recommending the budget to General Assembly. The General Assembly is scheduled to adopt the budget at the April 29, 2021, meeting.

SCHOOL SITING BRIEFING PAPER FINDINGS AND NEXT STEPS

Assistant Planner Ben Kahn presented on school siting and development of an upcoming briefing paper. Mr. Kahn highlighted that expected growth patterns near transit mean the school campuses will not be as large as traditional campuses. Themes in the briefing paper include the costs and challenges of building schools; benefits of coordination between school districts and local governments; and the role of schools in health, transportation, and environmental objectives.

2021 LEGISLATIVE OVERVIEW

Dave Andersen with Washington State Department of Commerce presented on the growth management related bills being considered during the current legislative session. These include bills focused on climate change, housing, and transit-oriented development.

VISION 2050 IMPLEMENTATION

Mr. Inghram presented on implementation of VISION 2050 including the upcoming planning work from now until the 2024 local comprehensive plan deadline. Near-term work includes guidance on the countywide planning policies, growth targets, and the Regional Housing Strategy. Mr. Inghram presented on the nine policy chapters in VISION 2050 along with the scope of work for the Growth Management Policy Board and other boards.

NEXT MEETING

Chair Bader announced the next meeting is scheduled for March 4, 2021.

ADJOURN

The meeting adjourned at 11:43 a.m.

GROWTH MANAGEMENT POLICY BOARD Attendance Roster – February 4, 2021

GMPB MEMBERS & ALTERNATES PRESENT - All Attendees Remote

(Italicized = alternate)

Dave Andersen, WA State Department of Commerce
 Deputy Mayor Jay Arnold, Kirkland – Other Cities & Towns in King County
 Councilmember Scott Bader, Metropolitan Center – Everett
 Alex Brennan, Futurewise
 Councilmember Traci Buxton, Des Moines – Other Cities & Towns in King County
 Dr. Anthony Chen, Tacoma-Pierce County Health Department – Comm/Environment
Deputy Mayor Claude DaCorsi, Auburn – Other Cities & Towns in King County
 Councilmember Megan Dunn, Snohomish County
Mayor John Kartak, Snohomish – Other Cities & Towns in Snohomish County
Deputy Mayor Phillippa Kassover, Lake Forest Park – Other Cities & Towns in King County
 Marty Kooistra, Housing Development Consortium – Seattle/King County
 Councilmember Kathy Lambert, King County
 Councilmember Andrew Lewis, Metropolitan Center – Seattle
Councilmember Tola Marts, Issaquah – Other Cities & Towns in King County
 Peter Mayer, Metro Parks Tacoma – Community/Environment
 Robin Mayhew, Transportation Agency – WSDOT
 Commissioner Paul McIntyre, Alderwood Water & Wastewater District
Dick McKinley, Alderwood Water & Wastewater District
Councilmember Jared Mead, Snohomish County
Dr. Gib Morrow, Kitsap Public Health District – Community/Environment
Robert Pantley, Natural and Built Environments – Business/Labor
 Deputy Mayor Cynthia Pratt, Thurston Regional Planning Council
 Councilmember Ed Prince, Renton – Other Cities & Towns in King County
 Mayor Lynne Robinson, Metropolitan Center – Bellevue
 Angela Rozmyn, Natural and Built Environments – Business/Labor
 Edna Shim, Seattle Children's – Business/Labor
 Councilmember Dan Strauss, Metropolitan Center – Seattle
 Mayor Greg Wheeler, Metropolitan Center – Bremerton
 Mayor Russell Wiita, Sultan – Other Cities & Towns in Snohomish County
Councilmember Ned Witting, Puyallup – Other Cities & Towns in Pierce County
 Commissioner Edward Wolfe, Kitsap County
 Councilmember Hans Zeiger, Pierce County

GMPB MEMBERS ABSENT (*alternate present)

Councilmember Chris Beale, Metropolitan Center—Tacoma
 Caia Caldwell, Master Builders Association – Business/Labor
 Commissioner Sam Cho, Port of Seattle – Ports
 Councilmember Jeanne Kohl-Welles, King County
 Barb Mock, Regional Staff Committee
 *Mayor Joshua Penner, Orting – Other Cities & Towns in Pierce County
 Councilmember Michael Pollock, Bainbridge Island – Other Cities & Towns in Kitsap County
 Rob Purser, Suquamish Tribe
 Andrew Strobel, Puyallup Tribe of Indians

GUESTS AND PSRC/STAFF PRESENT - All Attendees Remote
(As determined by staff.)

Ben Bakkenta, PSRC
Maria Batayola, Beacon Hill Council and El Centro De La Raza
Laura Benjamin, PSRC
Carolyn Downs, PSRC
Aaron Hallenberg, Pierce County
Erika Harris, PSRC
Andrea Harris-Long, PSRC
Paul Inghram, PSRC
Kathryn Johnson, PSRC
Thara Johnson, City of Bellevue
Diana Lauderbach, PSRC
Ben Kahn, PSRC
Piset Khuon, PSRC
Kristin Mitchell, PSRC
Denise Stiffarm, Pacifica Law Group
Liz Underwood-Bultmann, PSRC
Andrew Werfelmann, PSRC



Puget Sound Regional Council

DISCUSSION ITEM

February 25, 2021

To: Growth Management Policy Board

From: Paul Inghram, Director of Growth Management

Subject: **Regional Housing Strategy: Needs Assessment Key Findings and Next Steps**

IN BRIEF

Housing access and affordability are key policy areas in [VISION 2050](#), the region's long-range plan for growth. VISION 2050 calls for the region to better assess and address housing needs through a coordinated regional housing strategy and a regional housing needs assessment. The Board will be briefed on key findings from the Regional Housing Needs Assessment and asked to provide direction on next steps in the development of the Regional Housing Strategy.

DISCUSSION

Background

A new housing action in VISION 2050 (H-Action-1) directs PSRC to develop a regional housing strategy, including a regional housing needs assessment. The regional housing strategy is intended to serve as a “playbook” of regional and local actions to move towards the region's goal to preserve, improve, and expand its housing stock to provide a range of affordable, accessible, healthy, and safe housing choices to every resident and to promote fair and equal access to housing for all people.

Based on board and committee review and direction set in H-Action-1, the [project work plan](#) identifies general direction for the project, issues to address, roles and responsibilities, and timeline. A [Housing 101 presentation](#) provides a glossary of common terms and background about housing issues.

Regional Housing Needs Assessment – Key Findings

The Regional Housing Needs Assessment seeks to answer the central question of “What are gaps between current and projected housing needs and housing supply?”

The needs assessment analyzes conditions, trends and gaps in the region’s housing stock and demonstrates how local and subregional housing need and supply fit into the regional picture. The findings of the needs assessment will inform the forthcoming strategy.

The needs assessment underscores that it is increasingly difficult for people living and working in the central Puget Sound region to find housing that is affordable. The Executive Summary (Attachment A) highlights data findings and critical issues with housing supply, affordability, housing type, and racial disparities.

Housing Efforts Underway

Housing planning and implementation has advanced through the ongoing work of state, regional, and local agencies and organizations. These efforts have yielded new tools and resources, promoted best practices, established community-based housing strategies, and coordinated efforts across multiple jurisdictions. Examples of work at various levels of government are listed below. This is a high-level overview and by no means an exhaustive list.

- *State* – [HB 1923 Affordable Housing Grants](#); [Guidance and resources](#); new funding sources (HB 1406, HB 1590)
- *Region* – VISION 2050; [Housing Innovations Program](#)
- *Subregion/County* – [King County Affordable Housing Committee](#); [Snohomish County Housing Affordability Regional Taskforce](#); Kitsap Affordable Housing Taskforce; Subregional groups – ARCH, SKHHP, AHA, SHAAP
- *Local* – Housing Action Plans; code updates; more equitable engagement

PSRC fielded a survey in 2019 to understand what housing incentives and policies have been adopted by cities and counties. The [survey](#) found that over two-thirds of local jurisdictions surveyed (50) have put in place at least one incentive to promote housing development and/or affordability. Of the cities that completed the survey, 42 have three or more housing incentives in place and 30 have adopted density bonuses. Of the jurisdictions that indicated they have no incentives in use, the majority are small cities that do not have current or planned high-capacity transit. The vast majority – 93% – of jurisdictions surveyed have zoning that allows housing types other than detached single-family.

Focus Areas for Actions and Tools in the Regional Housing Strategy

Based on the findings of the Regional Housing Needs Assessment and an understanding of housing efforts currently underway in the region, the Regional Housing Strategy can support existing efforts and/or propose new tools and actions for regional stakeholders to consider.

Tools and actions fall into three key areas:

- Supply (housing production, capacity, zoning)
- Stability (displacement mitigation, tenant protections, affordable housing)
- Subsidy (funding, financing, incentives)

The Regional Housing Strategy may address what types of tools and actions have the potential for the greatest impact in different types of places. This could include a typology of different types of places to better identify meaningful strategies. A typology based on [Displacement Risk Mapping](#), [Opportunity Mapping](#), and the Regional Growth Strategy could evaluate potential tools and actions. This could help local jurisdictions better understand their roles in local and regional housing work, and what type of intervention is needed, where, and at what scale to address gaps identified in the needs assessment. Tools and actions may be categorized based on those best suited for centers, in areas served by high-capacity transit, and for various types of markets/places.

Questions for the Board:

- What findings in the needs assessment could most benefit from regional action?
- What are challenges and barriers to making housing more affordable and accessible in your communities? How can the Regional Housing Strategy help to address these challenges?
- Is a community or jurisdiction-scale typology the right approach for identifying appropriate tools and actions to support housing access and affordability?

NEXT STEPS

A full draft report of the Regional Housing Needs Assessment will be available for review in late February/early March. Staff will continue to present information regarding potential strategies to address the gaps identified in the needs assessment to boards and committees in early 2021.

For more information, contact Laura Benjamin at 206-464-7134 or LBenjamin@psrc.org, or Paul Inghram at 206-464-7549 or PInghram@psrc.org.

Attachments:

A - Regional Housing Needs Assessment Executive Summary 2021



REGIONAL HOUSING NEEDS ASSESSMENT EXECUTIVE SUMMARY

Housing is a basic need for every individual. Yet, residents in many communities in the region are facing an unprecedented challenge in finding and keeping a home that they can afford. Meeting the housing needs of all households at a range of income levels is integral to promoting health and well-being and creating a region that is livable for all residents, economically prosperous, and environmentally sustainable. Housing access and affordability continues to be a major challenge for the region, and limits the region in achieving other mobility, equity, environmental, and economic goals.

Housing access and affordability are key policy areas in [VISION 2050](#), the region's long-range plan for growth. VISION 2050 calls for the region to better assess and address housing needs through a coordinated regional housing strategy and a regional housing needs assessment. The Regional Housing Needs Assessment (RHNA) seeks to answer the central question of "What are gaps between current and projected housing needs and housing supply?" The needs assessment analyzes conditions, trends, and gaps in the region's housing stock, and demonstrates how local and subregional housing need and supply fit into the regional picture.

HOUSING IN VISION 2050

VISION 2050 is the shared regional plan for moving toward a sustainable and more equitable future. The region is expected to reach a total population of 5.8 million by the year 2050. VISION 2050 calls for cities and counties to support the building of more diverse housing types, especially near transit, services, and jobs, to ensure all residents have the opportunity to live in thriving urban places. VISION 2050 also calls for more housing affordable to low- and very low-income households. It recognizes that providing long-term affordable housing for the region's most vulnerable residents requires public intervention through funding, collaboration, and jurisdictional action and cannot be met by market forces alone.

The development of the Regional Housing Strategy, including this Regional Housing Needs Assessment, is a key implementation action in VISION 2050.

H-Action-1: Regional Housing Strategy: PSRC, together with its member jurisdictions, state agencies, housing interest groups, housing professionals, advocacy and community groups, and other stakeholders will develop a comprehensive regional housing strategy to support the 2024 local comprehensive plan update. The housing strategy will provide the framework for regional housing assistance (see H-Action-2, below) and shall include the following components:

- In the near term, a regional housing needs assessment to identify current and future housing needs to support the regional vision and to make significant progress towards jobs/housing balance and quantify the need for affordable housing that will eliminate cost burden and racial disproportionality in cost burden for all economic segments of the population, including those earning at or below 80 percent of Area Median Income throughout the region. This will provide necessary structure and focus to regional affordable housing discussions
- Strategies and best practices to promote and accelerate: housing supply, the preservation and expansion of market rate and subsidized affordable housing, housing in centers and in proximity to transit, jobs-housing balance, and the development of moderate-density housing options
- Coordination with other regional and local housing efforts

REGIONAL HOUSING NEEDS ASSESSMENT REPORT OVERVIEW

A key component of the Regional Housing Strategy is development of a housing needs assessment that analyzes conditions, trends and gaps in the region's housing stock and demonstrates how local and subregional housing need and supply fit into the regional picture. In addition to building a common understanding of current conditions within the region, the findings of the needs assessment will inform the strategy.

The Regional Housing Needs Assessment relies primarily on quantitative data of current housing conditions and trends in the region. It also includes the first-hand experiences of residents dealing with the day-to-day impacts of rising housing costs and their preferences, needs, and experiences with the housing market. Residents' lived experience of how systems impact their lives expands the housing conversation and adds a vital perspective that helps the region avoid unintended consequences. PSRC held focus groups to review findings from the Regional Housing Needs Assessment, to solicit more experiences, and to provide personal dimensions of the housing issues identified in this



needs assessment. Feedback from the focus groups is incorporated into the Regional Housing Needs Assessment.

KEY FINDINGS

It is increasingly difficult for people living and working in the central Puget Sound region to find housing that is affordable. There are significant, regionwide challenges and disparities in access to housing, with the most vulnerable residents in the region shouldering the burden. The following key findings from the forthcoming report highlight the critical need for more housing across the region:

What's needed now?

46,000 Housing units needed to address the **current supply backlog**

What's needed by 2050?

810,000 Total new housing units needed to accommodate the **population in 2050**



The region is two years behind in housing production. Housing production lagged population growth between 2010 and 2020 by about 40,000 to 50,000 housing units, equivalent to about two years' worth of housing production. Not keeping up with population growth has exacerbated the upward pressure on housing costs; the region needs to address the current backlog in the short term in order to soften the impact on housing prices and rents.



The region needs a total of 810,000 new housing units to accommodate the region's population growth by the year 2050.

Figure 1: Housing Units Needed to Accommodate Growth, 2020-2050

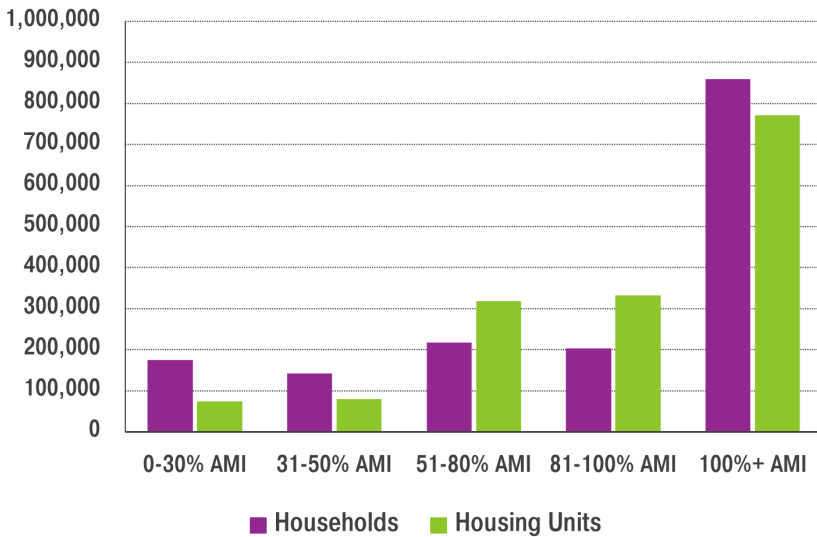


Source: PSRC



The region needs housing affordable to moderate and low-income households now and as the region grows. Addressing affordability needs will most likely require some level of public incentive for 34% of new housing – ranging from more flexible zoning standards to direct subsidy – to ensure new units are affordable to households earning less than the median income.

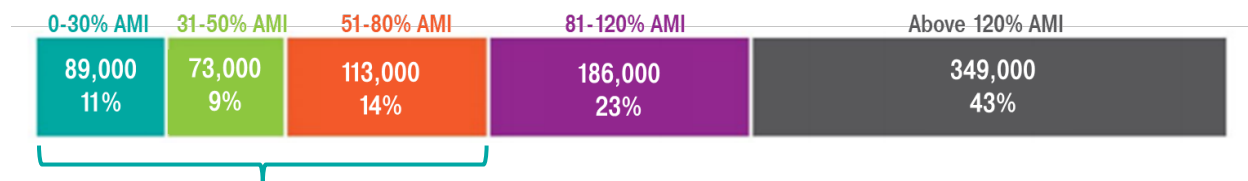
Figure 2: Households and Housing Units by Income Level, 2017



Source: American Community Survey Public Use Microdata Sample

34% of new housing units need to be affordable to moderate and lower incomes

Figure 3: Housing Units Needed by Income Level, 2020-2050

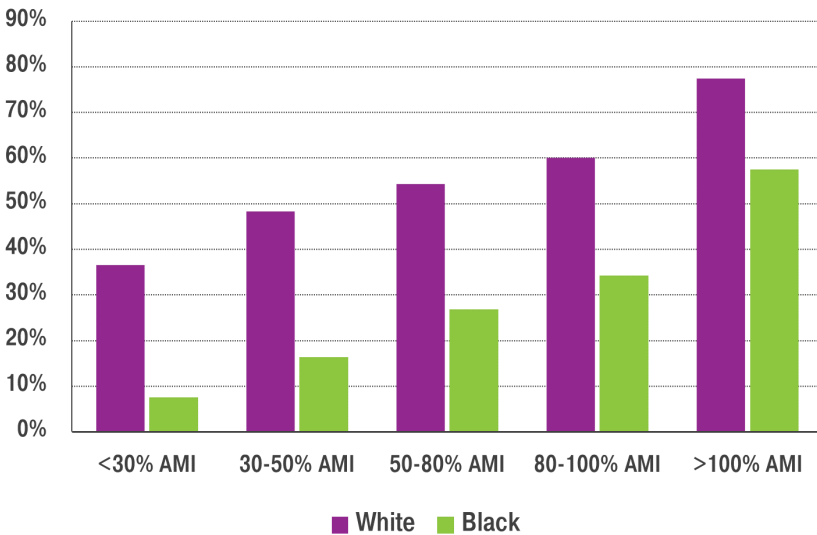


Source: PSRC



There are substantial disparities in housing access between white and person of color households, underscoring the ongoing effects of systemic racism in housing. People of color, on average, have lower incomes, are more likely to rent, and are more likely to be cost burdened than white households. White residents are more likely to own their own home than Black residents across all income levels.

Figure 4: Homeownership by Race/Ethnicity and Income Level, 2013-2017

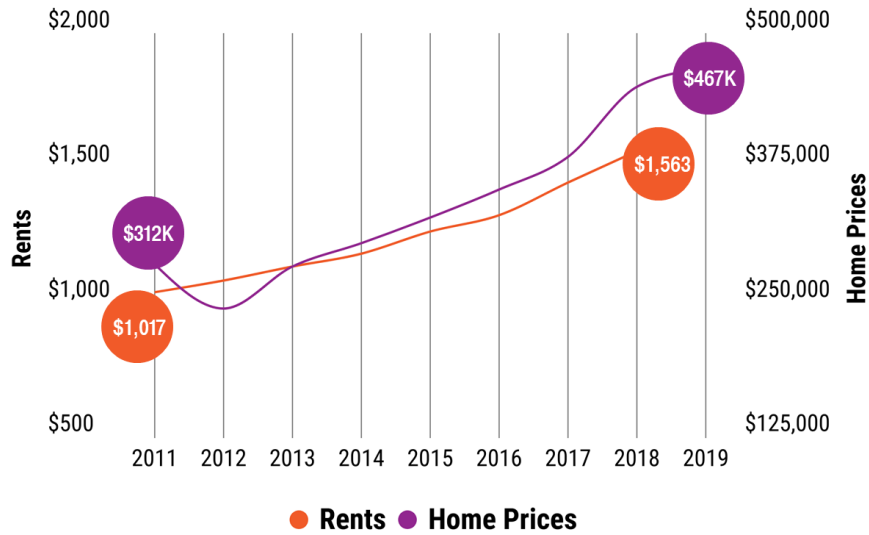


Source: HUD Comprehensive Housing Affordability Strategy (CHAS)



Housing prices have risen at an unprecedented rate over the past decade and have outpaced increases in income. From 2011 to 2019, rent increased 53% and home values increased 67%, making rent and homeownership increasingly unaffordable for a growing number of households.

Figure 5: Median Home Value and Rent, 2011-2019



Source: American Community Survey, Zillow


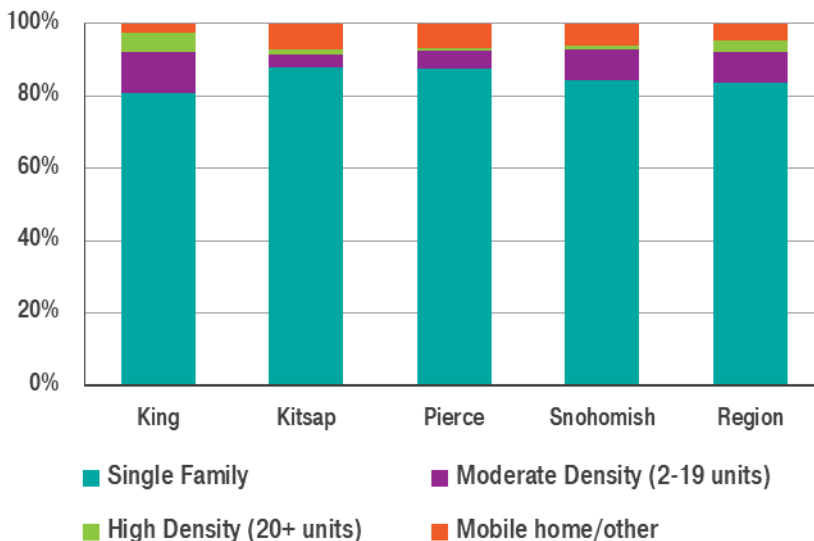


 The region's current housing stock provides limited middle-density ownership options – like townhomes and triplexes – which are often more affordable than traditional single-family or condo units. The housing stock in the central Puget Sound housing stock also provides limited options for renters, particularly larger families. A more diverse housing stock is needed to provide accessible and affordable housing for residents in all phases of life.


Figure 6: Owner Occupied Housing Units by Housing Type, 2018



Source: American Community Survey

 Stable housing is critical to quality of life. A focus group of residents living in subsidized housing stated that they now spend less time worrying about how to pay the rent, which means more time for family, schoolwork, looking for better paying jobs, and community connections.

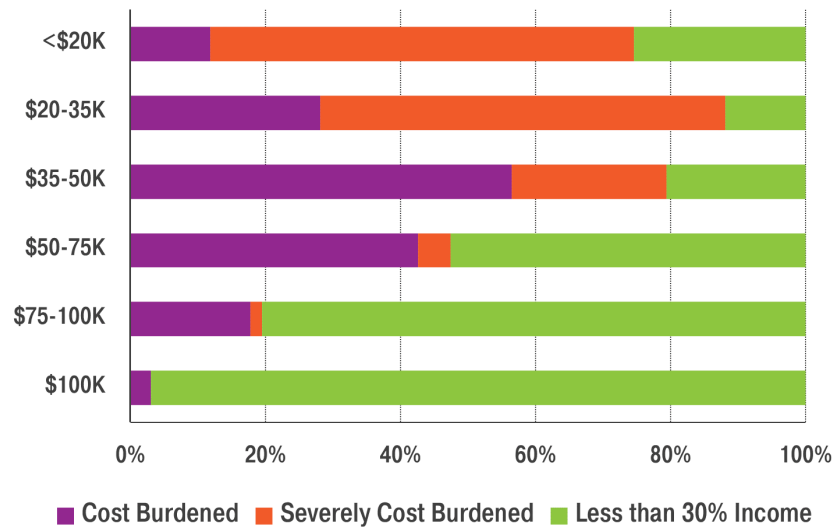
 The makeup of the region's households and housing needs is changing. Only 1/3 of households have children and just over 1/3 of households include seniors. A housing stock built for the needs of previous generations may not fully serve a growing and changing region.

 There is an imbalance of jobs and housing in the region due, in part, to the lack of affordable housing near job centers. One in three residents lives and works in a different county, meaning many residents commute long distances to get to work.



One in two households with less than \$50,000 in income – more than 130,000 households – is severely cost burdened, spending most of their income on housing costs and leaving little income to cover other basic needs such as food, transportation, and medical costs.

Figure 7: Cost Burdened Renter Households, 2018



Source: American Community Survey

NEXT STEPS

The Regional Housing Needs Assessment summarizes the challenges for the region and will inform decisions about how to address current and projected gaps through coordinated action. How should the region address these challenges? What are the opportunities and priorities for local governments, PSRC, and other stakeholders?

PSRC's boards will use this and other information to shape the [Regional Housing Strategy](#). The strategy will evaluate potential tools and actions to help local jurisdictions better understand their roles in local and regional housing work. It will describe the types of intervention needed, where, and at what scale to address gaps identified in the needs assessment. Tools and actions will need to specifically address centers and areas served by high-capacity transit where the majority of growth is anticipated, and various other types of markets and places across the region.

Local governments have completed significant housing work at the county, subregional, and local scale, such as HB 1923 funded housing action plans, the King County Affordable Housing Committee, and Snohomish County Housing Affordability Response Team (HART). Yet, this analysis and others identify persistent, regionwide challenges. PSRC will continue to coordinate with local jurisdictions to ensure the strategy amplifies existing work at the regional and local level and identifies targeted solutions.

More information on the Regional Housing Strategy is available online at <https://www.psrc.org/regional-housing-strategy>.