**RACIALLY DISPARATE IMPACT (RDI)**

**STAFF REPORT TEMPLATE**

**TO:** [Jurisdiction] City Council

[Jurisdiction] Planning Commission

**FROM:** [Staff]

**SUBJECT** CommerceMiddle Housing Grant - Racial Equity Analysis

**DATE:** [DATE, 2023]

**EXHIBIT LIST**

1. Racial Equity Analysis Report
2. Public Engagement Summary
3. [Other]

**BACKGROUND**

In 2021 the State of Washington Legislature passed, and the Governor signed into law, House Bill 1220 amending certain Growth Management Act (“GMA”) housing provisions, including Housing Element requirements.

Included in the HB 1220 amendments were:

* The GMA Housing goal (RCW 36.70A.020 (4)) was amended to be more affirmative, striking the work “Encourage” and replacing it with “Plan for and accommodate…” as follows,

“(4) Housing. ~~Encourage the availability of~~ Plan for and accommodate housing affordable ~~housing~~ to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.”

* Additional Housing Element requirements were added including, but not limited to:
* Projected housing needs for all economic segments of the population, specifically adding units for moderate, low, very low and extremely low income households as well as emergency housing, emergency shelters and permanent supportive housing.
* Adequate provisions for existing and projected housing needs for all economic segments of the population, including how to assess zoning regulations to allow and encourage housing to meet the projected housing needs in each income level.
* Include provisions for sufficient capacity of housing, including consideration of duplexes, triplexes, and townhomes within the urban growth area boundary
* Identify local policies and regulations resulting in racially disparate impacts, displacement and exclusion, including zoning that may have a discriminatory effect, disinvestment and infrastructure availability.
* Identify and implement policies that begin to undo racially disparate impacts, displacement and exclusion.
* Identify areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments and establishes anti-displacement policies.

Following the passage of HB 1220, [Engrossed Substitute Senate Bill (ESSB) 5693](https://lawfilesext.leg.wa.gov/biennium/2021-22/Pdf/Bills/Session%20Laws/Senate/5693-S.SL.pdf?q=20220421095900), the 2022 supplemental operating budget, was passed. Section 189 of [ESSB 5693](https://lawfilesext.leg.wa.gov/biennium/2021-22/Pdf/Bills/Session%20Laws/Senate/5693-S.SL.pdf?q=20220421095900) directed the Washington State Department of Commerce to develop a grant program to support the adoption of ordinances authorizing middle housing types, along with conducting a racial equity analysis. For the purposes of the grant, middle housing types include duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, courtyard apartments, cottage housing and stacked flats.

ESSB 5693 grant funding was made available to 82 cities and towns in the central Puget Sound region (“Region”), which consists of King, Snohomish, Pierce and Kitsap counties. Specifically, ESSB 5693 offers grant funding for local government analysis and study of middle housing policy and regulatory amendments needed to allow middle housing on at least 30 percent of lots currently zoned as single family residential. ESSB 5693 also provided funding for local jurisdictions to conduct a racial equity analysis and establish anti-displacement policies.

For the racial equity analysis specifically, ESSB 5693 stated,

“(c) Before updating their zoning ordinances, a city must use a racial equity analysis and establish antidisplacement policies as required under RCW 36.70A.070(2)(e) through (h) to ensure there will be no net displacement of very low, low, or moderate-income households, as defined in RCW 43.63A.510, or individuals from racial, ethnic, and religious communities which have been subject to discriminatory housing policies in the past.”

RCW 36.70A.070(2)(e) through (h), referenced in the above budget proviso language, states,

“(e) Identifies local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including:

(i) Zoning that may have a discriminatory effect;

(ii) Disinvestment; and

(iii) Infrastructure availability;

(f) Identifies and implements policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions;

(g) Identifies areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments; and

(h) Establishes antidisplacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.”

The middle housing grant does not require adoption or public hearings on middle housing or racial equity analysis amendments. Rather, the grant requires information and analysis to be developed, which could then be further developed and refined as work on the periodic review update due December 31, 2024 continues.

The City of \_\_\_\_\_\_\_\_\_\_\_ (“City”) applied for and received $xxx,xxx.00 in ESSB 5693 grant funds. Work conducted under the grant must be completed by June 15, 2023.

This staff report summarizes the racial disparity and equity analysis work and related findings as part of the middle housing grant.

**FINDINGS**

1. In \_\_\_\_\_\_\_\_\_\_, 2022, the City of \_\_\_\_\_\_\_\_\_\_ was awarded an ESSB 5693 Middle Housing Grant in the amount of $\_\_\_\_\_\_\_\_\_\_, which is the maximum amount a city the size (population) of \_\_\_\_\_\_\_\_\_can receive.

[**IF APPLICABLE**: For those local governments that sub-contracted with Community based organizations] In addition, the City received $\_\_\_\_\_\_\_\_\_\_ specifically for the purpose of sub-contracting with Community Based Organizations (CBO’s) to conduct public outreach to inform and solicit feedback from a representative group of renters and owner-occupied households in residential neighborhoods, and from for-profit and nonprofit residential developers.]

1. The City’s grant agreement with the Washington State Department of Commerce provides for the City’s review and study of authorizing middle housing in single family zones and also the preparation of a racial equity analysis. Grant funding does not require that the City adopt a middle housing ordinance or an ordinance related to racial equity analysis, but lays the groundwork for future work on these topics as part of the City’s required 2024 GMA Periodic Update to be completed by December 31, 2024.
2. [**IF APPLICABLE**: For those local governments that adopted a Housing Action Plan (HAP]

The work done under the Commerce Middle Housing grant builds on the City’s Housing Action Plan (HAP) work completed in 202**X**. The Middle Housing Grant allows the City to more closely study strategies identified in the HAP. The HAP identified strategies related to:

[Identify HAP Strategies, as applicable (i.e. to expand the housing supply, to include duplexes and other middle housing in single family residential zones where they are not currently allowed etc.)]

1. Existing zoning regulations, regardless of intent, can perpetuate racially disparate impacts of past practices. To meet the GMA’s goal of accommodating housing affordable to all economic segments of the population, jurisdictions are also required to have sufficient development capacity to accommodate a variety of housing types that offer housing at a variety of price points (RCW 36.70A.070(2)(c)).

To also ensure the benefits of housing policy extends to all Washingtonians in a fair and transparent manner, the GMA requires jurisdictions to thoroughly review and improve housing policies to address and begin to undue racially disparate impacts.

1. On October 23, 2020, the Puget Sound Regional Council adopted VISION 2050. VISION 2050 is the Puget Sound region’s (”Region”) four county (King, Pierce, Snohomish and Kitsap) growth plan and strategy. VISION 2050 includes the multi-county planning policies (“MPP’s”) required by the GMA. VISION 2050 also identifies actions and strategies to guide how and where the Region will grow through 2050. VISION 2050 informs updates to countywide planning policies and local comprehensive plans prepared and adopted by cities and counties. [VISION 2050 | Puget Sound Regional Council (psrc.org)](https://www.psrc.org/planning-2050/vision-2050)
2. Compared to prior PSRC regional growth documents (e.g. VISION 2040), VISION 2050 places greater emphasis on equity and several other subject areas, including affordable housing. VISION 2050’s housing policies respond to the urgency of changing demographics and the need to increase and diversify the region’s housing supply. VISION 2050 identifies coordinated strategies, policies, and actions to ensure that the region’s housing needs are met.
3. Examples of VISION 2050’s housing related multi-county planning policies (MPP’s) and local actions that incorporate equity and displacement include:

**MPP’s**

MPP-H-3

Achieve and sustain – through preservation, rehabilitation, and new development – a

sufficient supply of housing to meet the needs of low-income, moderate-income, middle-income, and special needs individuals and households that is equitably and rationally distributed throughout the region.

MPP-H-5

Promote homeownership opportunities for low income, moderate-income, and middle-income families and individuals while recognizing historic inequities in access to homeownership opportunities for communities of color.

MPP-H-6

Develop and provide a range of housing choices for workers at all income levels throughout the region that is accessible to job centers and attainable to workers at anticipated wages.

MPP-H-12

Identify potential physical, economic, and cultural displacement of low-income households and marginalized populations that may result from planning, public investments, private redevelopment, and market pressure. Use a range of strategies to mitigate displacement impacts to the extent feasible.

**Local Actions**

**H-Action-5**

Affordable Housing Incentives: As counties and cities plan for and create additional housing capacity consistent with the Regional Growth Strategy, evaluate and adopt techniques such as inclusionary or incentive zoning to provide affordability.

**H-Action-6**

Displacement: Metropolitan Cities, Core Cities, and High Capacity Transit Communities will develop and implement strategies to address displacement in conjunction with the populations identified of being at risk of displacement including residents and neighborhood-based smallbusiness owners.

1. In February 2022, the PSRC adopted the “Regional Housing Strategy”. The Regional Housing Strategy ensures that all people have a range of safe and affordable housing choices in order to create a healthy and prosperous future for the region, including eliminating racial disparities in access to housing. The Regional Housing Strategy is intended to support the GMA and VISION 2050, and also uses a racial equity lens to assess disparities, engage residents and minimize burdens to vulnerable communities

Included in the PSRC Regional Housing Strategy are actions, some of which relate to equity and displacement, including:

* Expand and strengthen tenant assistance and protections, and their enforcement to provide opportunities for residents to continue to live in their communities
* Increase access to home ownership, with an emphasis on BIPOC homeownership
* Increase services and amenities to provide access to opportunity in low opportunity areas experiencing housing growth
* Leverage growth near transit and higher opportunity areas to incentivize and/or require the creation and preservation of long-term affordable housing
* Create and sustain long-term funding sources to create and preserve housing for very low-income households and unhoused residents
* Identify public, private, and philanthropic funding to increase affordable housing and access to housing for lower-income families

In discussing these and other strategies, the PSRC Regional Housing Strategy notes the critical role that every resident and every community plays in addressing the collective responsibility of providing housing. It adds that the complexity of addressing the full range of housing needs and challenges requires a coordinated regional-local approach and will require action from cities, counties, residents, businesses, and other agencies and stakeholders to work together to meet the needs.

1. Countywide Planning Policies (“CPP’s”) are a GMA requirement adopted at the county level. The CPP’s address specific topics identified in the GMA and must be consistent with the MPP’s. CPP’s are intended to ensure comprehensive plan consistency across jurisdictions within the county.

The most recent version of the [Insert County Name] County CPP’s was adopted on [Insert Date of most recent CPP amendments].

1. Following the direction of the PSRC MPP’s, the [Insert County Name] County CPP’s place emphasis on housing, equity and displacement. CPP policies focusing on equity and displacement include the following:

**SELECT THE COUNTY THAT APPLIES TO THE JURISDICTION**

|  |  |  |
| --- | --- | --- |
| **King County CPP’s** | **Pierce County CPP’s**  **STILL DRAFT AS OF 8/24/2022** | **Snohomish County CPP’s** |
| H-6 Document the local history of racially exclusive and discriminatory land use and housing practices, consistent with local and regional fair housing reports and other resources. 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. Demonstrate how current strategies are addressing impacts of those racially exclusive and discriminatory policies and practices. The County will support jurisdictions in identifying and compiling resources to support this analysis. | **Equity:** All people can attain the resources and opportunities that improve their quality of life and enable them to reach full potential. Those affected by poverty, communities of color, and historically marginalized communities are engaged in decision-making processes, planning, and policy making. Also referred to as “social equity”.  These CPPs represent a significant contribution to a process designed to define and direct the collective vision of our community. The policies are significant both in substance and in the commitment they represent by local governments of Snohomish County. Guiding these policies are the central principles that the CPPs shall:   * + Be consistent with the Growth Management Act (GMA), other state laws, the Multicounty Planning Policies (MPPs), and the overall regional Vision 2050 described in VISION 2050;   + Establish a framework for continuing coordination and collaboration between all jurisdictions of Snohomish County;   + Incorporate equity and inclusion into all aspects of countywide and local planning;   + Allow for flexibility in local implementation; * Support attaining an environmentally, socially, and economically/fiscally sustainable county within Snohomish and within the regional context;   + Establish a framework for mitigating and adapting to climate change;   + Address and maintain quality of life; and   + Enhance the built environment and human health. | HO-5 The cities and the county shall collaborate to report housing characteristics and needs in a timely manner for jurisdictions to conduct major comprehensive plan updates and to assess progress toward achieving CPPs on housing. The report shall be sufficiently easy to understand and use for planning and evaluation. To the extent made possible by the availability of valid data, this report shall, for the entire county and each jurisdiction:  a. Describe the measures that jurisdictions have taken (individually or collectively) to implement or support CPPs on housing, especially measures taken to support housing affordability.  b. Quantify and map existing characteristics that are relevant to the results prescribed in the CPPs on housing, including (but not limited to):  i. The supply of housing units, including subsidized housing, by type, tenure, affordability, and special needs populations served.  ii. The availability and general location of existing affordable housing units and the distribution and location of vouchers and similar assistance methods.  iii. The supply of land that is undeveloped, partially used/or has the potential to be developed or redeveloped for residential purposes.  c. Identify the number of housing units necessary to meet the various housing needs for the projected population of households of all incomes and special needs populations. The number of units identified for each jurisdiction will be utilized for planning purposes and to acknowledge the responsibility of all jurisdictions to plan for affordable housing within the regional context.  d. Evaluate the risk of physical and economic displacement of residents, especially low-income households and marginalized populations. |
| H-9 Collaborate with populations most disproportionately impacted by housing cost burden in developing, implementing, and monitoring strategies that achieve the goals of this chapter.  Prioritize the needs and solutions articulated by these disproportionately impacted populations. | AH-3.Determine the extent of the need for housing affordable for all economic segments of the population, with special attention paid to the historically underserved, both existing and projected for its jurisdiction over the planning period, and shall encourage the availability of housing affordable to all economic segments of the population for each jurisdiction. | HO-15 Metropolitan cities, Core cities, and High Capacity Transit Communities, as defined by the Regional Growth Strategy in VISION 2050, shall develop and implement strategies to address displacement of historically marginalized populations, including residents identified in the report prescribed in HO-5, and neighborhood-based small business owners. |
| H-10 Adopt intentional, targeted actions that repair harms to Black, Indigenous, and other People of Color households from past and current racially exclusive and discriminatory land use and housing practices (generally identified through Policy H-6). Promote equitable outcomes in partnership with communities most impacted. | AH-7. Support and encourage homeownership opportunities for low-income, and middle-income families and individuals while recognizing historic inequities in access to homeownership opportunities for communities of color. |  |
| H-18 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;  c) Evaluating the feasibility of, and implementing, where appropriate, inclusionary and incentive zoning to provide affordable housing; and  d) Providing access to housing types that serve a range of household sizes, types, and incomes, including 2+ bedroom homes for families with children and/or adult roommates and accessory dwelling units, efficiency studios, and/or congregate residences for single adults. | AH-8. Jurisdictions should identify potential physical, economic, and cultural displacement of low-income households and marginalized populations that may result from planning, public investments, private redevelopment, and market pressure, and use a range of strategies to prevent and minimize, the cultural and physical displacement and mitigate its impacts to the extent feasible.  8.1 Metropolitan Cities, Core Cities, and High Capacity Transit Communities will develop and implement strategies to address displacement in coordination with the populations identified of being at risk of displacement, including residents, local community groups, and neighborhood-based small business owners. |  |
| H-20 Adopt policies and strategies that promote equitable development and mitigate displacement risk, with consideration given to the preservation of historical and cultural communities as well as investments in low-, very low-, extremely low-, and moderate-income housing production and preservation; dedicated funds for land acquisition; manufactured housing community preservation, inclusionary zoning; community planning requirements; tenant protections; public land disposition policies; and land that may be used for affordable housing. Mitigate displacement that may result from planning efforts, large-scale private investments, and market pressure. Implement anti-displacement measures prior to or concurrent with development capacity increases and public capital investments. |  |  |

1. RCW 36.70A.070(2)(e) and (f) relate to the identification on policies and regulations that result in racially disparate impacts, displacement and exclusion in housing, and to policies and regulations that begin to undo racially disparate impacts, displacement, and exclusion. RCW 36.70A.070(2)(e) and (f) states that local GMA jurisdictions have housing elements that,

“(e) Identifies local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including:

(i) Zoning that may have a discriminatory effect;

(ii) Disinvestment; and

(iii) Infrastructure availability;

(f) Identifies and implements policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions;”

A brief, general background on the history of racism as it relates to contributing to racially disparate housing impacts is contained in the Washington State Department of Commerce “Racially Disparate Impacts Guidance” document (“RDI Guidance Document”, April 2023) which states,

“Racism has shaped American history from the beginning, including the form and shape of our communities. European American settlement on Native American land, Indian Removal Act (1830), slavery, post Civil War Jim Crow laws, the Chinese Exclusion Act (1882), and Japanese internment during World War II are among the many notable events that have shaped how we live today.   These and other events determined who could own property and who could become United States citizens, and forcibly relocated people from ancestral or other homelands.  They are contributors to racially disparate impacts which were continued and perpetuated by zoning and other land use practices that emerged in the 20th century.

Local zoning originated in the early 1900s as a tool to address growth and industrialization. However, informed by racism zoning laws have been used to segregate households by race and ethnicity. The American Planning Association explains that “zoning, which is intended to separate incompatible land uses, has also been used to exclude certain population groups from single-family neighborhoods and to exclude multifamily rental housing from neighborhoods with better access to jobs, transit, and amenities” ​

In addition to zoning, other governmental programs have led to racially disparate impacts, displacement and exclusion in housing. Public policies forced the displacement of Black, Indigenous, and people of color (BIPOC) households through urban renewal and the midcentury interstate highway construction. Private practices such as racially restrictive covenants and steering have prevented BIPOC households from accessing housing in certain neighborhoods. Government-sanctioned financial practices such as redlining, the home mortgage interest tax deduction, predatory lending and the systematic undervaluing of real estate in BIPOC neighborhoods have contributed to the devaluation of BIPOC household property and wealth.

Zoning laws today - such as exclusively single-family zones, minimum lot sizes and separating multi-family development from single-family development—serve to exclude minorities and lower income households from accessing large parts of our communities and keep housing more expensive and unaffordable to lower income, often BIPOC households. Regardless of the intent of current land use policies, past and present land use regulations create the effect of racially disparate impacts. For example, the 2019 Washington state homeownership rate for BIPOC households is 49%, compared to 68% for non-Hispanic white households​ (Commerce, 2022)​. Since a greater proportion of BIPOC households rent their housing, BIPOC households face greater housing insecurity and displacement risk.”

The Washington State Department of Commerce “*Racially Disparate Impacts Guidance*” document (“RDI Guidance Document”) released April 2023 also contains a high level chronology of racism in land use and identifies certain government and private market practices and programs that have contributed to racially disparate impacts, exclusion and displacement.

1. The racial equity analysis component of ESSB 5693 can generally be divided into two main bodies of work to include: A) Policy/Regulatory Analysis; and, B) Displacement Analysis. These bodies of work are summarized as follows:
2. **Policy/Regulatory Analysis** 
   * 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.
   * Identify and implement policies and regulations *to address and* *begin to undo* racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions.
3. **Displacement Analysis**

* Identify areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments
* Establish anti-displacement policies, to ensure there will be no net displacement of very low, low, or moderate-income households or individuals from communities which have been subject to discriminatory housing policies in the past.

1. The Washington State Department of Commerce RDI Guidance Document (April 2023) provides recommendations on how local governments can address the new HB 1220 Housing Element requirements for assessing racially disparate impacts, exclusion displacement and identifying areas at high risk of displacement.
2. The following summarizes the data and community engagement process used to collect information and evaluate evidence of racially disparate impacts, exclusion and displacement. The data and community engagement were evaluated in concert with each other to reach conclusions about racially disparate impacts, exclusion and displacement. A full discussion of the evaluation process and findings is contained in the Racial Equity Analysis Report **(Exhibit 1).**

**Data Analysis**

The City used US Census and other data to assist in identifying evidence of racially disparate impacts, exclusion and displacement.

In summary, the data show:

**Racially Disparate Impacts**

[Briefly Summarize Findings]

**Exclusion**

[Briefly Summarize Findings]

**Displacement/Areas at High Risk of Displacement**

[Briefly Summarize Findings]

**Community Engagement**

In developing the racial equity analysis, community engagement took place with particular emphasis on reaching out to organizations and groups whose members have historically subject to racially disparate impacts, exclusion and displacement, whether inside the city or not. The purpose of the community engagement was to supplement and add perspectives on the collected data.

A summary of community engagement methods included (see **Exhibit 2 for Community Engagement Report):**

[Briefly Summarize Community Engagement Methods and Activities (e.g. survey, public meetings etc.]

1. [**IF APPLICABLE**: For those local governments that sub-contracted with Community Based Organizations] The Commerce Middle Housing Grant included $\_\_\_\_\_\_\_\_\_\_ to enable the City to sub-contract with Community Based Organizations (CBO’s) to conduct public outreach to inform and solicit feedback from a representative group of renters and owner-occupied households in residential neighborhoods, and from for-profit and nonprofit residential developers.

The City sub-contracted with the following CBO’s as part of the Middle Housing Grant:

1. List CBO’s

2. …

CBO activities included: (e.g. public outreach, public meetings etc.]

1. Briefly List/Summarize CBO Activities

2.

3.

It is estimated that contracting with CBOS resulted in participation by XX individuals represented or associated with CBO’s. A brief summary of findings resulting from CBO participation is as follows:

**Racially Disparate Impacts**

[Briefly Summarize Findings]

**Exclusion**

[Briefly Summarize Findings]

**Displacemen**t

[Briefly Summarize Findings]

1. In summary, taken together, the RDI data analysis and community engagement shows the following:

**Racially Disparate Impacts**

[Briefly Summarize Findings]

**Exclusion**

[Briefly Summarize Findings]

**Displacement**

[Briefly Summarize Findings]

1. **Policy/Regulatory Analysis**

The GMA Housing Element requires that a policy and development regulation analysis be done to identify policies and regulations that may result in racially disparate impacts, displacement and exclusion. The Housing Element also requires the identification and implementation of policies and regulations that begin to undo racially disparate impacts, displacement, and exclusion.

The following describes the City’s policy analysis.

1. **Identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion (i) Zoning that may have a discriminatory effect (ii) Disinvestment; and (iii) Infrastructure availability** *(RCW 36.70A.070(2)(e))*

The Racial Equity Analysisreport **(Exhibit 1)** includes a matrix that identifies the City’s existing Housing Element policies. Each housing element policy has been evaluated and reviewedusing the policy Evaluation Framework identified in the Washington State Department of Commerce’s RDI Guidance Document (April 2023*).*

Each policy has been identified as “Supportive”, “Approaching”, “Challenging” or “Not Applicable” depending on the extent to which the policy supports the GMA goal for housing and does or does not contribute to racially disparate impacts, exclusion or displacement.

As recommended in the Washington State Department of Commerce RDI Guidance Document, the policy evaluation was further informed by consultation and conversation with representatives of communities of interest to help identify the root cause of disparities, exclusion and displacement.

Also included in the matrix is a reference note explaining, if applicable, how the policy might be improved, if not deleted.

Potential new housing element policies to be considered as part of the GMA periodic review update process to address racially disparate impacts, displacement and exclusion are also identified in the matrix.

1. **Identifies and implements policies and regulations to address and begin to address and begin to undo racially disparate impacts, displacement, and exclusion** *(RCW 36.70A.070(2)(f))*

The Racial Equity Analysisreport **(Exhibit 1)** also identifies proposed policies and regulations that could, if adopted, address and begin to undo racially disparate impacts, displacement and exclusion. In some respects, there is overlap between policies and regulations that would begin to undo racially disparate impacts and anti-displacement policies.

In general, these proposed policies and regulations are organized under four broad categories:

1. Increase affordable housing production  
2. Preserve existing affordable housing  
3. Protect existing communities and households  
4. Ensure the benefits of investment and development are equitably distributed

1. In requiring a racial equity analysis, ESSB 5693 also requires **a displacement analysis.** This includes identifying areas at high risk of displacement and developing anti-displacement strategies to ensure there will be “no net displacement of very low, low, or moderate-income households”, as defined in RCW 43.63A.510, **or** individuals from racial, ethnic, and religious communities which have been subject to discriminatory housing policies in the past.
2. Displacement of lower income and minority neighborhoods and households has historically occurred, often as a direct result of government actions. However, even the private market can drive displacement.

The growth and cost of living in the Region continues to place many households at a serious threat of being displaced from their communities. 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 and are more susceptible to displacement.

1. “Displacement” refers to instances where a household is forced or pressured to move from their home by factors outside of their control. Displacement can take several forms including

* Economic displacement: Displacement due to inability to afford rising rents or costs of homeownership like property taxes.
* Physical displacement: Displacement as a result of eviction, acquisition, rehabilitation or demolition of property, or the expiration of covenants on rent-or income-restricted housing.
* Cultural displacement: Residents are compelled to move because the people and institutions that make up their cultural community have left the area.

Displacement can have a life-changing negative effect on households that are directly impacted. It can also disrupt the social fabric and networks of trust and support that existing within a community.

1. The following summarizes the process used to conduct the displacement analysis and related findings pertaining to displacement. A full discussion of the process and findings is contained in the Racial Equity Analysis Report **(Exhibit 1).**
2. **Identify areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and development regulations.** (RCW 36.70A.070(g))

In evaluating areas that may be at higher risk of displacement, the City relied on information available through existing analyses done by the Puget Sound Regional Council (PSRC). This analysis was supplemented with community engagement.

**Puget Sound Regional Council (PSRC) - Displacement Risk Map**

The Puget Sound Regional Council (PSRC) has a Displacement Risk Map [Displacement Risk (arcgis.com)](https://psregcncl.maps.arcgis.com/apps/MapSeries/index.html?appid=1769d732e3de4905ba0bf5ffaf75f602) identifying high-risk displacement areas in the Central Puget Sound region. The PSRC Displacement Risk Map categorizes census tracts into one of four categories regarding displacement risk:

* Lower
* Moderate
* Higher
* Parks/Forest/Military

Neighborhood risk factors used by the PSRC are grouped into five major categories and include:

* Socio-demographics
* Transportation qualities
* Neighborhood characteristics
* Housing (including development capacity and price trends)
* Civic engagement

The PSRC Displacement Risk assessment map identifies the following areas as having \_\_\_\_\_\_\_\_\_\_\_\_\_risk of displacement. This means \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Community Engagement - Areas at High Risk of Displacement**

Community Engagement with residents, developers, community based organizations, housing agencies and other parties that may have knowledge of displacement was conducted to supplement and add lived experience to the City’s displacement risk assessment.

A summary of the results of the community engagement as it relates to displacement risk includes:

[Briefly Summarize community engagement results on displacement]

**Conclusion - Areas at High Risk of Displacement**

Based on a review of the data and community engagement, the following conclusions were made about areas of the City that may be at higher risk of displacement from market forces:

[Briefly summarize overall displacement conclusions, including areas that may be at high risk of displacement, if any]

1. **Develop anti-displacement policies, including strategies**

Anti-displacement policies and strategies generally can be categorized into four broad categories.

**• Increase affordable housing production**

Producemore housing (supply). This strategy includes increasing housing supply for residents at all income levels, whether by expanding opportunities to build additional housing in certain zoning districts or by transit facilities, or participation in housing finance programs.

**• Protect existing communities and households**

Protect current residents from displacement (stabilize). This strategy helps households have the option to stay in their neighborhoods through tenant assistance, house sharing or other programs. An emphasis if often placed on lower-income communities and BIPOC communities that have been systemically excluded from homeownership opportunities and are vulnerable to displacement as renters.

* **Preserve existing affordable housing**

Preserve the affordable housing that already exists. This strategy seeks to retain the existing housing stock, which not only can address displacement, but which retains housing that can be more affordable than new housing. Housing repair programs offered by government programs or by non-profit organizations can assist in implementing this strategy.

* **Ensure the benefits of investment and development are equitably distributed**

This strategy recognizes that local governments can invest in community-led investments. Actions that support community and fund community organizations and nonprofits to create community-owned assets such as affordable housing developments, community space preservation projects and small business support projects are examples. Ongoing monitoring using defined measures can ensure policies are working as intended to address racially disparate outcomes, exclusion, displacement and displacement risk.

The Racial Equity Analysis Report **(Exhibit 1)** identifies anti-displacement policies that the City may implement, intended to minimize displacement of racial minorities resulting from redevelopment.

In summary, these anti-displacement policies and strategies include:

[Briefly summarize anti-displacement policies and strategies from Racial Equity Analysis]

**NEXT STEPS - RACIAL EQUITY ANALYSIS**

The Middle Housing Grant Racial Equity work done to date is intended to inform and support the City’s 2024 GMA Periodic Review Update work. RCW 36.70A.130(5)(a) requires King, Kitsap, Pierce, and Snohomish counties and the cities to review and, if needed, revise their comprehensive plans and development regulations on or before December 31, 2024.

Work on the racial equity analysis completed as part of the middle housing grant will continue as the city proceeds with its 2024 periodic review update process.

With regards to the racial equity work specifically, the next steps will include:

* Continued community engagement on identification of policies and programs that have contributed to racially disparate impacts, exclusion and displacement, as well as areas that may be at high risk of displacement
* Continued evaluation of existing policies and regulations that have resulted in and contribute to racially disparate impacts, exclusion and displacement
* Continued identification and drafting of policies and regulations that address and begin to undo racially disparate impacts, displacement, and exclusion
* Adherence to all applicable procedures related to adoption of plan and development regulations including but not limited environmental review (SEPA), State agency notification (RCW 36.70A.106), public participation, public notice and public hearing processes required by the municipal code.