

Growth Management Unit

Housing Team

# Purpose

Racially Disparate Impact Staff Report Template Memo

This memo explains the purpose of the Middle Housing Grant Racially Disparate Impact (RDI) Staff Report template ("RDI Staff Report template") and how it may be used by middle housing grantees (i.e. those jurisdictions that received middle housing grants authorized by [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 RDI Staff Report template is intended to facilitate, where applicable for a grantee, completion of a staff report deliverable summarizing findings of the middle housing grant work.

Use of the RDI Staff Report template is not a requirement of the middle housing grant. A grantee's use of the RDI Staff Report template, in whole or in part, is at the discretion of the grantee. Grantees may use their own staff report format. However, regardless of which format is used, the content must meet the applicable deliverable requirements of the grantee's middle housing agreement with Commerce.

The RDI Staff Report template only addresses the Racial Equity component of the Middle Housing Grant. A separate staff template is being prepared for the grant's middle housing component. Grantees may prepare separate staff reports or combine the RDI Staff Report template with the Middle Housing Staff Report template.

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# Background

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

Included in the HB 1220 amendments were requirements that local jurisdictions planning under the GMA examine racially disparate impacts, exclusion and displacement. Local jurisdictions are to identify and review past discriminatory land use practices and take steps to begin to undo racially disparate impacts, displacement and exclusion in housing caused by local policies, plans and actions.

Specifically, [RCW 36.70A.070](https://apps.leg.wa.gov/rcw/default.aspx?cite=36.70a.070)(2) (Housing Element requirements) was amended to include the following new subsections (RCW 36.70A.070(2)(e)-(h)). Local jurisdictions are to adopt a Housing Element 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;

(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.”

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 the eighty-two cities and towns in the central Puget Sound region (“Region”), which consists of King, Snohomish, Pierce and Kitsap counties. The grant funding was optional – jurisdictions could decide whether or not to make an application for receipt of the grant funds.

The middle housing grant funding generally had two major components, one related to middle housing and another related to racially equity analysis, both of which are summarized as follows:

Middle Housing Component: Analyze comprehensive plan policies/development regulations to determine amendments required to meet the goal of authorizing middle housing types on at least 30 percent of lots currently zoned as single family residential

Racial Equity Component: Develop racial equity analysis addressing racial disparate impacts, exclusion and displacement and establish anti-displacement policies (consistent with RCW 36.70A.070(2)(e-h))

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.”

ESSB 5693 also stated that Commerce shall prioritize grant applicants who:

“(i) Aim to authorize middle housing types in the greatest proportion of zones; and

(ii) Subcontract with multiple community-based organizations that represent different vulnerable populations in overburdened communities, as defined in RCW 70A.02.010, that have traditionally been disparately impacted by planning and zoning policies and practices, to engage in eligible activities as described in (b) of this subsection.”

Twenty six (26) local governments and one consortium of governments (South Sound Housing Affordability Partners in Pierce County) received middle housing grant awards and are under contract with Commerce.

The middle housing grant period concludes June 30, 2023. The middle housing grant does not require adoption of policies, development regulations or holding public hearings on middle housing or racial equity analysis amendments by that time. Rather, the grant requires information and analysis to be developed, which could then be further refined as the local jurisdiction works on the GMA periodic review update due December 31, 2024.

However, as a deliverable, common to most middle housing grant agreements is a planning commission or city council staff report that addresses the findings of the overall middle housing grant work.

# Racially Disparate Impact Staff Report Template Use

## Racially Disparate Impact Staff Report Template Use

The structure of the Racially Disparate Impact Staff Report template includes background summary information about the 2021 Growth Management Act (GMA) Housing Element amendments (HB 1220) related to racially disparate impacts, exclusion and displacement (RCW 36.70A.070(2)(e)-(h)) and also [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), which provided the middle housing grant funding.

Housing related racial equity Multi-County Planning Policies (MPP’s) from the Puget Sound Regional Council’s (“PSRC’s”) VISION 2050 are identified, as well as housing related racial equity policies from the countywide planning policies (“CPP’s") for Pierce, King and Snohomish counties. (Kitsap County CPP’s are absent given that there were no Kitsap County grantee cities.) Middle housing grantees may select those CPP’s applicable to their jurisdiction for inclusion in the Racially Disparate Impact Staff Report template.

The Racially Disparate Impact Staff Report template also includes general discussion of historical events, policies and programs that have contributed to past housing related racially disparate impacts, exclusion and displacement, some of which is still reflected in current day housing patterns.

The Racially Disparate Impact Staff Report template allows a grantee to insert summary grantee data and other information into the body of the staff report. The full racial equity analysis report and other detailed supporting data and information can be attached to the staff report.

More specifically, items to be inserted into the Racially Disparate Impact Staff Report template generally follow the recommendations in the Department of Commerce’s Racially Disparate Impacts guidance document issued in final form in April 2023. This includes:

Documentation and findings of data analysis as it relates to racially disparate impacts, exclusion and displacement.

Summary of community engagement activities. If Middle Housing grant funding was awarded for subcontracting with Community Based Organizations (CBO’s), then coordination, activities and outcomes with the CBO’s should be summarized.

Based on data analysis and community engagement, a summary of findings related to identification of racially disparate impacts, exclusion and displacement.

A summary of the policy and regulation analysis that identifies and determines if existing policies and regulations contribute to racially disparate impacts, displacement, and exclusion in housing.

Identification of proposed amendments to policies and regulations that could, if adopted, address and begin to undo racially disparate impacts, displacement, and exclusion. In general, these proposed amendments to policies and regulations could be 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

Identification of areas at high risk of displacement from market forces that occur with changes to zoning development regulations and capital investments, as well as any additional outreach that was conducted specific to displacement.

A summary of anti-displacement policies being considered to minimize displacement.

The Racially Disparate Impact Staff Report template also includes a section for "Next Steps" to occur after the grant work is complete. This recognizes that the grantee’s equity work is preliminary and draft, to be further refined as the grantee continues its effort on the full body of work that will comprise the periodic update to be completed by December 31, 2024.