HB 1220: Racially Disparate Impacts Guidance

Implementing HB 1220 (laws of 2021)

Laura Hodgson

SENIOR PLANNER
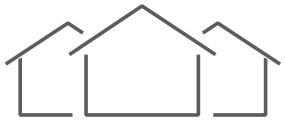
GROWTH MANAGEMENT SERVICES

10/26/2022

Washington State
Department of
Commerce

We strengthen communities
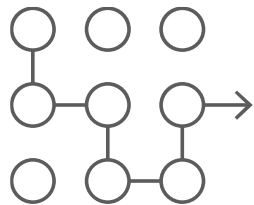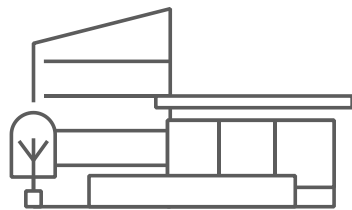
HOUSING HOMELESSNESS

INFRASTRUCTURE

BUSINESS ASSISTANCE

ENERGY

PLANNING

COMMUNITY FACILITIES

CRIME VICTIMS & PUBLIC SAFETY

COMMUNITY SERVICES

HB 1220:
Changed RCW 36.70A.070 (2): The Housing Element

Changed GMA housing goal:
- "**Plan for and accommodate** ~~encourage the availability of affordable~~ housing **affordable** to all economic segments."

Requires Commerce to provide projected housing need to local governments:
- For moderate, low, very low, and extremely low-income households
- For permanent supportive housing, emergency housing and emergency shelters (referred to as special housing needs)

Local housing element to:
- Identify sufficient capacity of land for identified housing needs
- Within urban growth areas (UGAs), moderate density housing options
- Document barriers to housing availability such as gaps in local funding, development regulations, etc.
- Consider housing locations in relation to employment locations
- Consider role of accessory dwelling units (ADUs)

HB 1220: More changes…
Racially disparate impacts (RDI), displacement and exclusion

- Identify local policies and regulations that result in racially disparate impacts, displacement and exclusion in housing:
  - Zoning that may have a discriminatory effect
  - Areas of disinvestment and infrastructure availability

- Identify and implement policies and regulations to begin to undo racially disparate impacts, displacement and exclusion in housing

- Identify areas at higher risk of displacement

- Establish anti-displacement policies

Definitions

- **Racially disparate impacts:** When policies, practices, rules or other systems result in a disproportionate impact on one or more racial groups

- **Displacement:** The process by which a household is forced to move from its community because of conditions beyond their control

- **Exclusion in housing:** The act or effect of shutting or keeping certain populations out of housing within a specified area, in a manner that may be intentional or unintentional, but which nevertheless leads to non-inclusive impacts

- **Displacement risk:** The likelihood that a household, business or organization will be displaced from its community

RDI Guidance Development Process

- Created an Advisory Work Group (planning staff from across the state)
- Worked with Advisory Work Group to:
  - Define terms
  - Review and test methodology and policies
- Interviewed Equity Experts
- Compile Recommendations into Draft Guidance Document
- Publish Draft Guidance and Host an Online Open House
- Public Comment Period
- Finalize Guidance and Present Webinar (Nov 2022) ★ We are here

RDI Evaluation Methodology: Policy and Regulation Evaluation

Understand your community: Identify measures to evaluate racially disparate impacts, exclusion and displacement and populations at risk

Analyze data: Examine data for racially disparate impacts, exclusion and displacement and identify areas of higher displacement risk

Evaluate policy: What policies contribute to disparate impacts, displacement or exclusion?

Revise policy: What new or improved policies are needed to undo impacts? Prevent displacement?

Review and revise regulations: What regulations and programs are needed to address and undo impacts?

Community engagement throughout

RDI Evaluation
Step 1: Understand your community

- Identify data measures to evaluate similarities or differences in equity issues across different races (e.g., home ownership, cost burden, access to community amenities, etc.)

- Identify populations most likely to experience racially disparate impacts, displacement or exclusion in housing

- Review these measures and populations with community organizations and representatives

RDI Evaluation
Step 2: Analyze the data

- Review demographic data
- Evaluate measures identified in step 1 by race to determine RDI
  - Homeownership rates by racial and/or ethnicity groups
  - Rates of housing cost burden by racial and/or ethnicity groups
- Review data that may be indicators of displacement (e.g. demolitions, foreclosure, evictions)
- Review over- or under-representation of subgroups (exclusion)
- Identify areas at risk of displacement
- Where does residential zoning contribute to disparate impacts or exclusion?

RDI Evaluation
Step 3: Evaluate Existing Policies

- **Evaluate existing policies to see if they:**
  - Support or challenge the GMA housing goal?
  - Address identified racially disparate impacts, displacement and exclusion?

Criteria	Evaluation
The policy supports the GMA housing goal and addresses RDI, exclusion or displacement.	**S**: Supportive
The policy can help achieve the GMA housing goal but may be insufficient or does not address RDI, displacement and exclusion in housing.	**A**: Approaching
The policy may challenge the city's ability to achieve the GMA housing goal or contributes to RDI, displacement or exclusion. The policy's benefits and burdens should be reviewed to improve the equitable distribution of benefits and burdens.	**C**: Challenge
The policy does not impact the city's ability to achieve the GMA housing goal.	**NA**

RDI Evaluation
Step 4: Policy revisions

- How can existing policies be strengthened?

- What additional policies can begin to undo disparate impacts, exclusion and displacement?

- How will you monitor and assess RDI, (anti) displacement and exclusion over time?

Step 5: Regulatory review and revisions

- Ensure policies and implementing regulations are consistent and connected

- Regulatory changes should be guided by the updated policies

- Code updates required with comprehensive plan per RCW 36.70A.130

Commerce Guidance Document

- Commerce guidance will recommend what a local government must do to address RCW 36.70A.070(e) – (h)
  - Recommend analysis of racially disparate impacts (RDI), displacement and exclusion (record of analysis)
  - Identify areas at risk of displacement
  - Analyze housing policies and regulations
  - Identify and implement policies and regulations to address RDI, displacement and exclusion
  - Establish anti-displacement policies
- Examples of policy and regulatory options, and how to identify areas at risk of displacement, will be provided

Communities may find…

- Current policies are lacking or insufficient to address RDI, exclusion and displacement
- Policy and regulation amendments will be needed, some of which will build on existing plan policies:
  - Increase affordable housing production
  - Preserve existing safe and affordable housing
  - Provide for a diverse mix of housing opportunities throughout the jurisdiction
  - Help existing communities thrive and existing households stay in their homes
  - Monitor impacts of code amendments on housing, including displacement
  - Pay attention to equity and displacement in making decisions on infrastructure and other public investments

Measures of Racially Disparate Impacts

Direct Measures

- Homeownership rates by race/ethnicity
- Housing cost compared to HH income, broken down by race/ethnic
- Cost burden status by race and ethnicity
- Rate of more than one occupant per room
- **Housing tenure by race or ethnicity**

Enumclaw: Housing Tenure by Race

Race/ Ethnicity	% Owner Units		% Renter Units	
	Estimate	MoE*	Estimate	MoE*
White	87.4%	+/- 5.3	88.4%	+/- 6.1
Black or African American	0.4%	+/- 0.6	1.0%	+/- 1.7
American Indian/Alaska	0.7%	+/- 1.0	0.7%	+/- 1.2
Asian	2.2%	+/- 2.7	0.0%	+/- 2.1
Hawaiian/Pacific Islander	0.0%	+/- 1.2	0.0%	+/- 2.1
Some other race	2.4%	+/- 2.1	6.6%	+/- 4.5
Two or more races	7.0%	+/- 5.0	3.3%	+/- 3.3
Hispanic or Latino	6.5%	+/- 4.8	17.0%	+/- 7.3
White alone (not Hispanic)	85.9%	+/- 5.5	79.7%	+/- 8.0

*MoE = Margin of Error

Source of Data: ACS 2020 (Table S2502)

Measures of Exclusion

- **Over- or under-representation of a subgroup**
- Concentration of dispersion of affordable housing
- Segregation by neighborhood
- Ratio of jobs to workers (by race or wages/affordability)
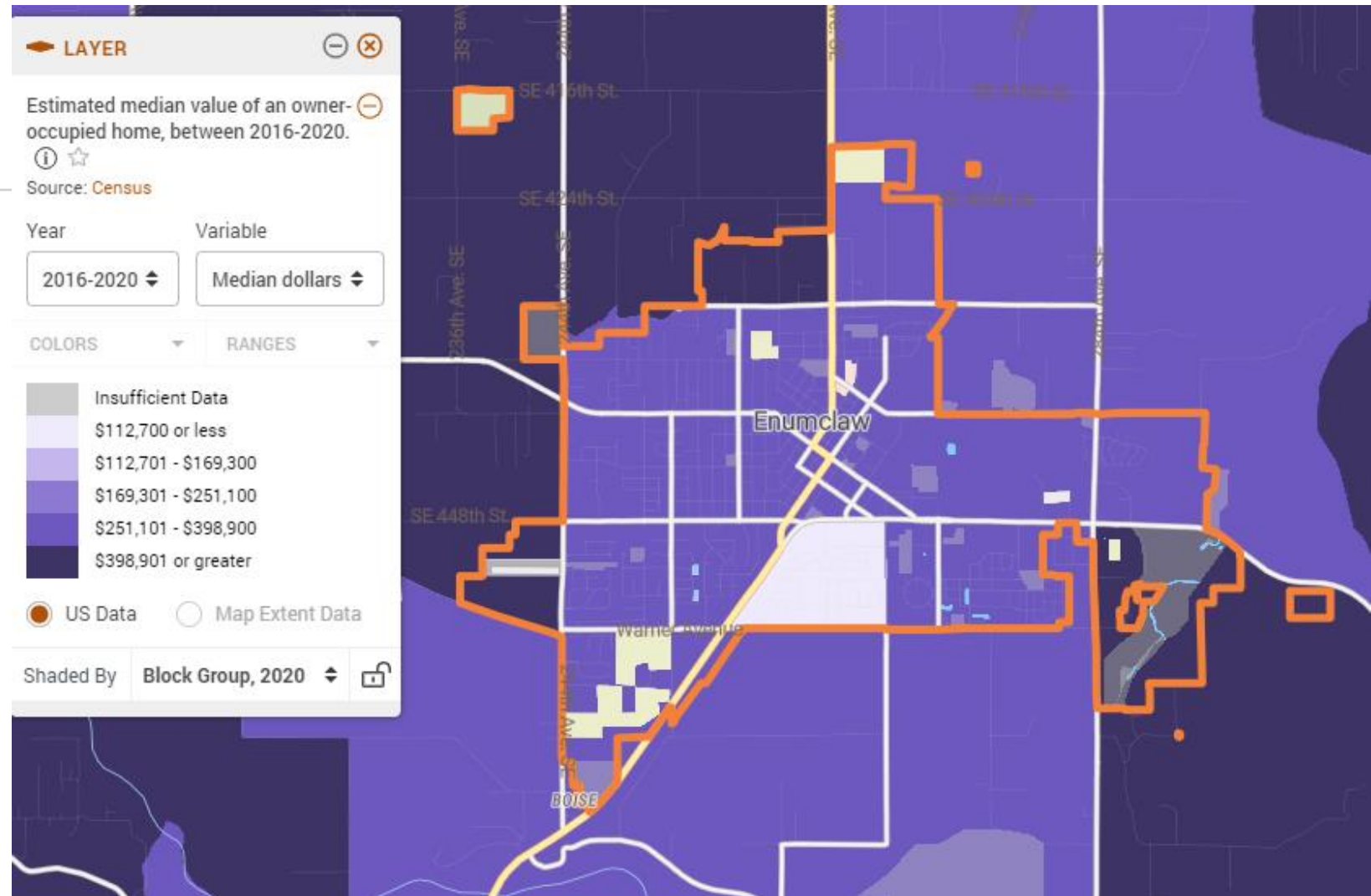
Estimated median value of owner-occupied home

Measures of Exclusion

- **Over- or under-representation of a subgroup**
- Concentration of dispersion of affordable housing
- Segregation by neighborhood
- Ratio of jobs to workers (by race or wages/affordability)
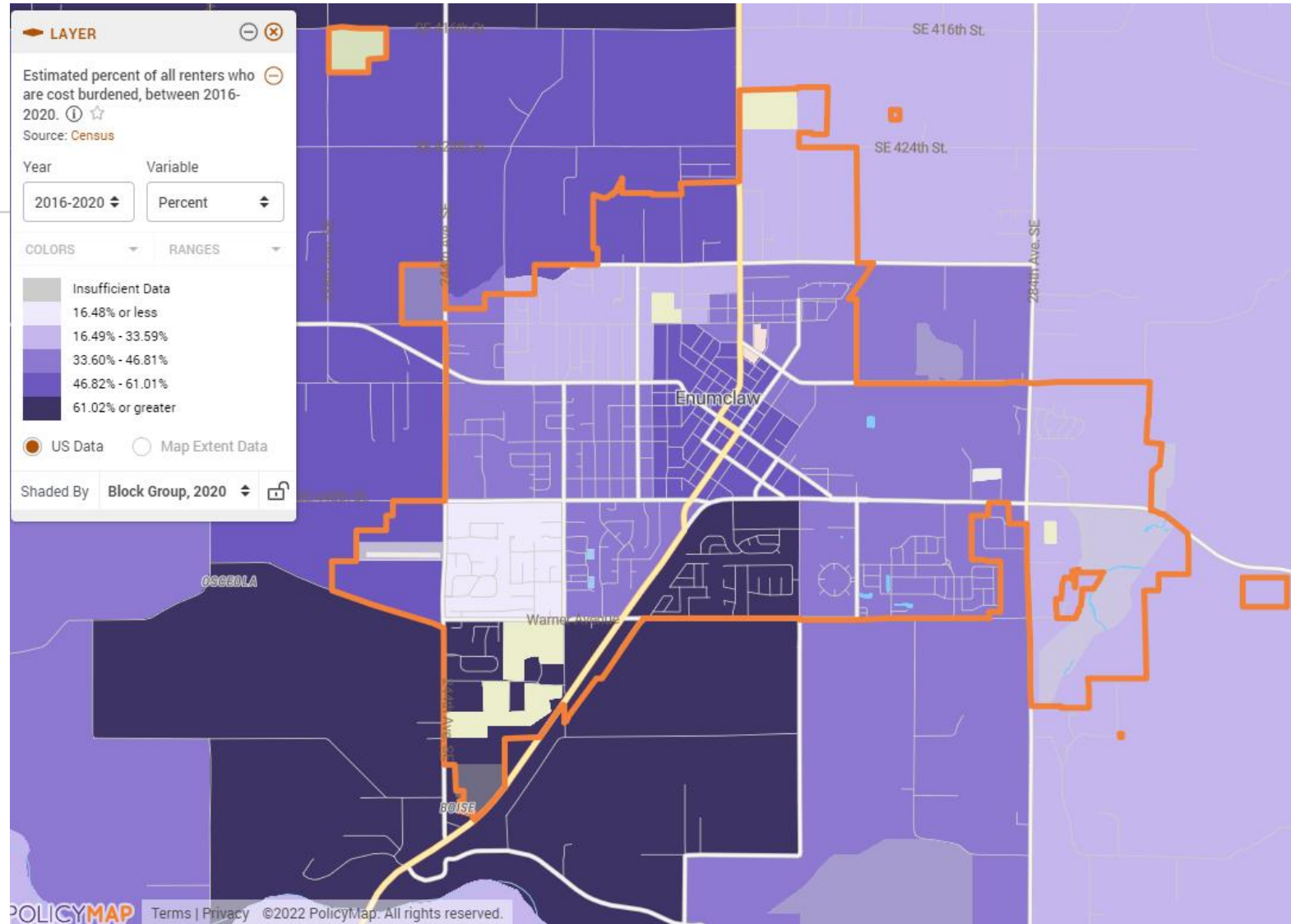
Estimated renters who are cost burdened

Measures of Displacement

- **Foreclosures (here: properties subject to foreclosure)**

- **Evictions**

- Tenant relocation applications

- Expiring affordable housing covenants

- Condemnations

- Units lose to natural disaster or eminent domain

- Deterioration in housing quality
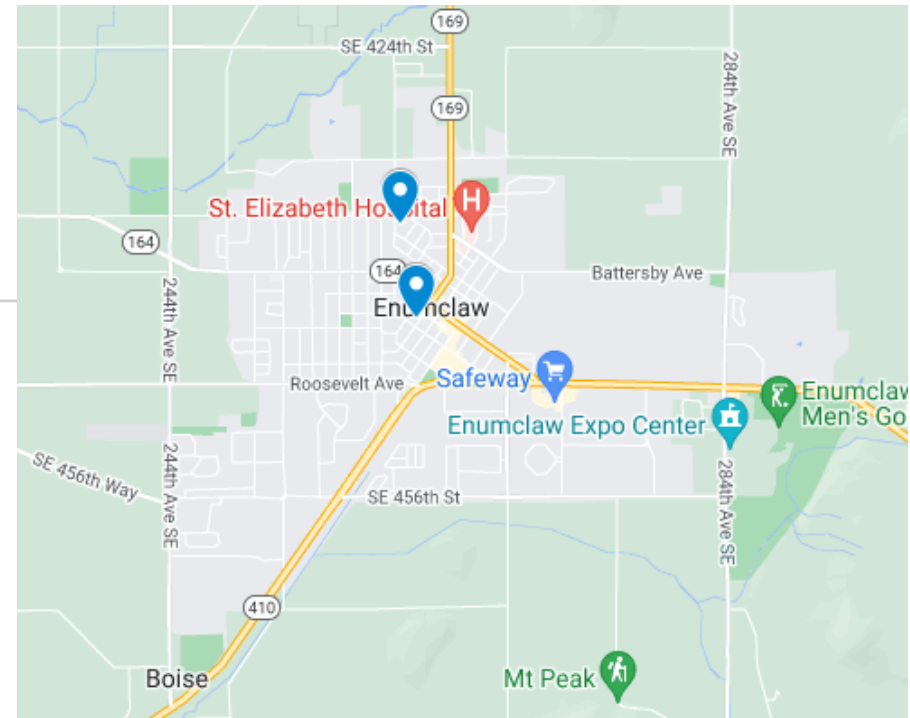
KING COUNTY EVICTION TRACKER

HOME > FOR THE PUBLIC > FREE LEGAL ASSISTANCE > HOUSING JUSTICE PROJECT > HJP-HEAT MAP

### Demographic data by zip code from 2013-2017 5 year ACS Census Survey

Eviction filing data complied by the King County Bar Association for the Housing Justice Project

Income Demographics by Zip Code

| Zip Code	# of Filings	Population	Median Income	% Below Poverty Line	Population Below Poverty
98022	20	21,537	$65,296	11.9%	2,566
Total	**20**	**21,537**		**11.9%**	**2,566**

Areas at Risk of Displacement

- Create your own analysis using:
  - Sociodemographic factors,
  - Market factors, and/or
  - Proximity to amenities
- Use PSRC's anti-displacement risk map
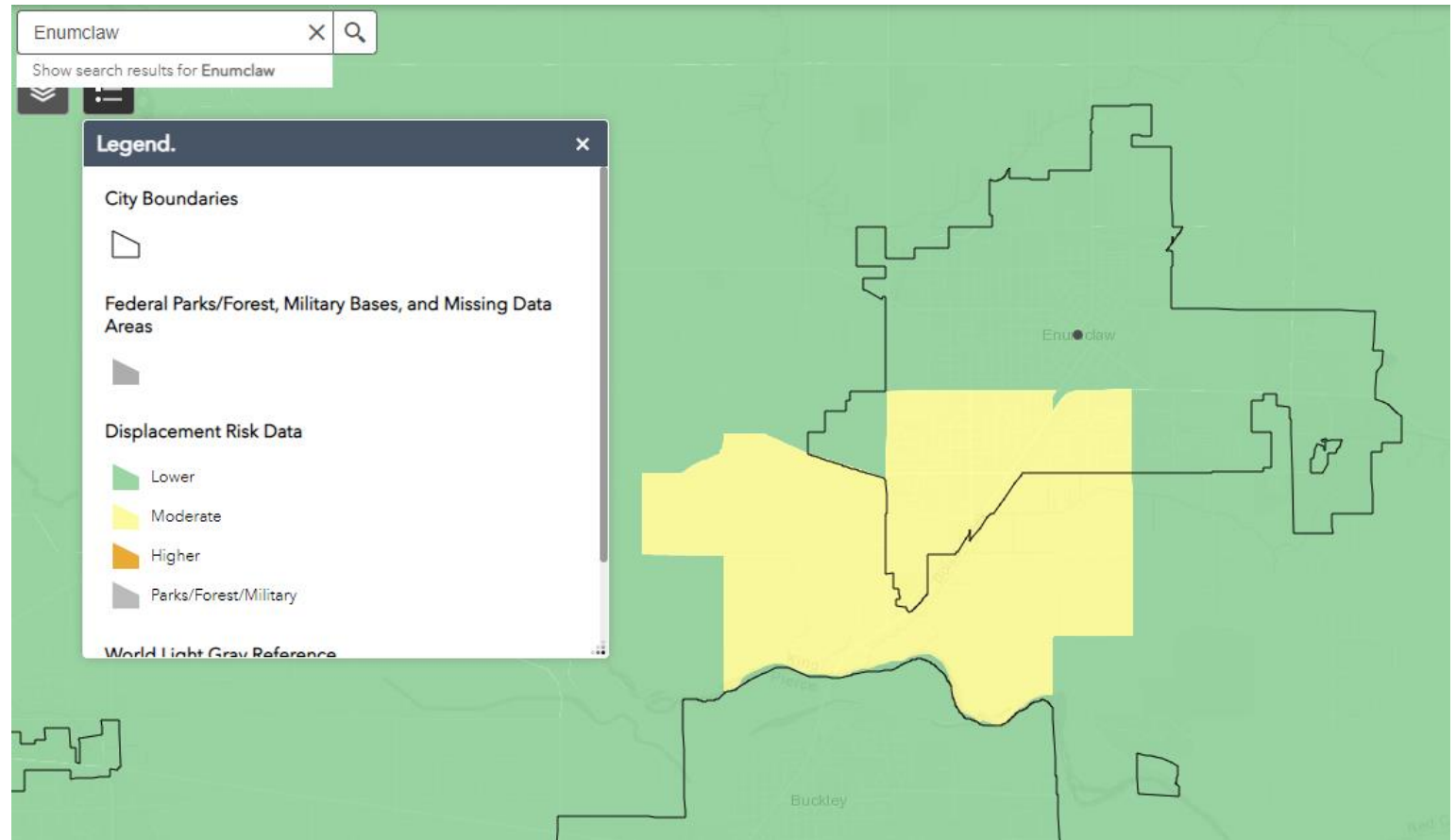
Location of existing affordable housing
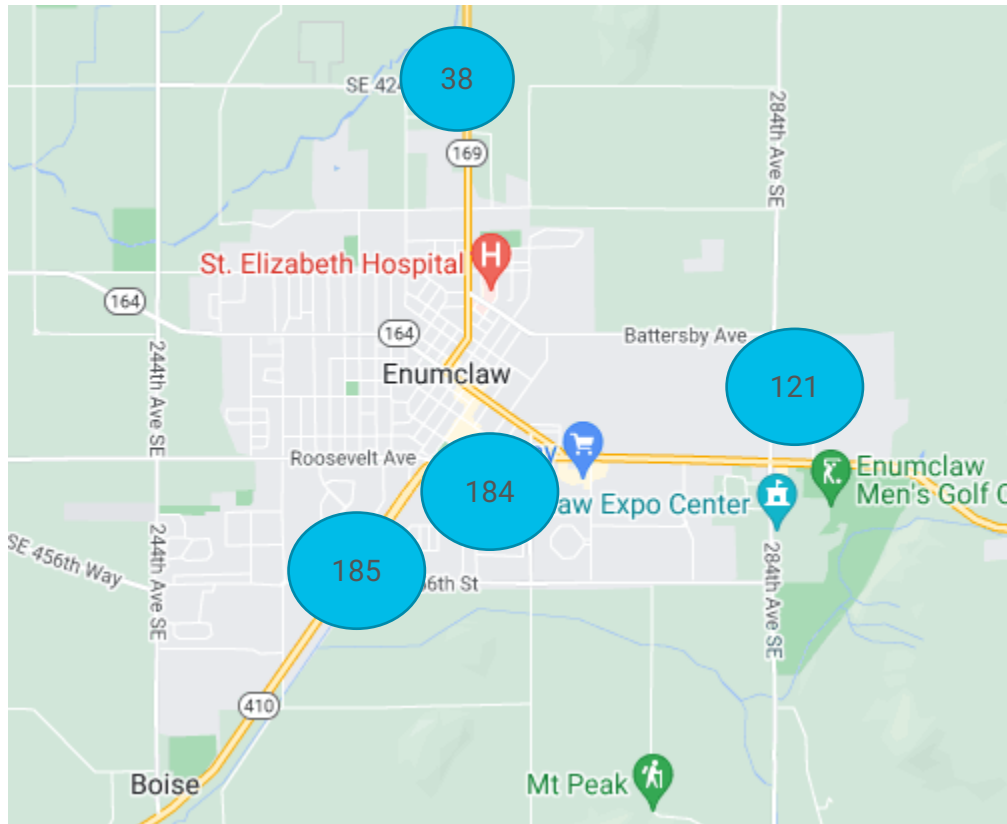
Location of active and closed manufactured/ mobile home communities (Source: Commerce)
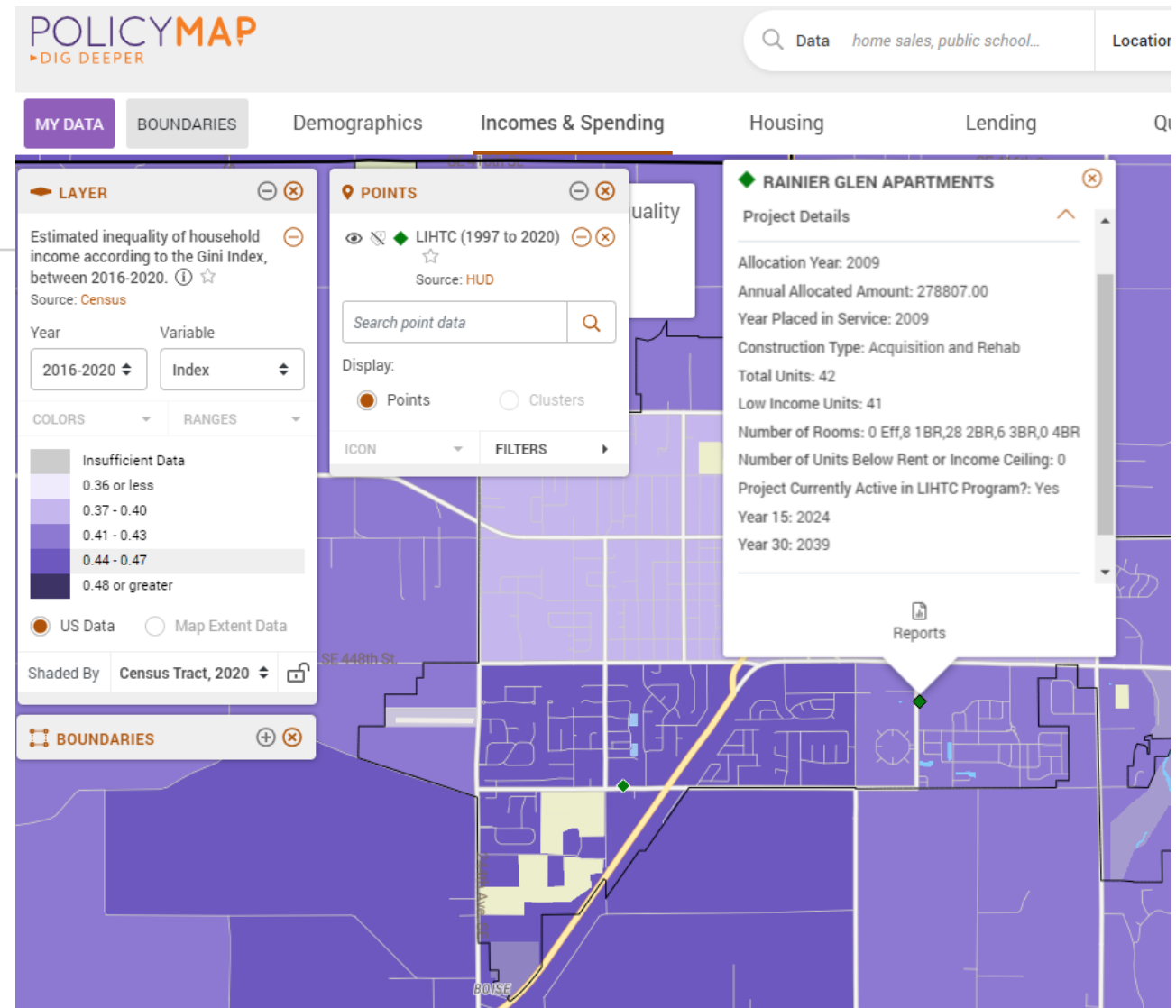
Location of affordable housing and information on property (Source: PolicyMap)

Housing policies

- **If you found exclusion, example policies include...**
  - Promote a diversity of housing unit types in all residential neighborhoods to meet the needs of all existing and future residents. (Adapted from Chelan County)
  - Provide incentives for projects that enhance or provide lower cost or specialty housing types such as congregate care facilities. (Chelan County Comprehensive Plan, 2017).
- **If you found racially disparate impacts, example policies include...**
  - Work to decrease disparities in homeownership by race and ethnicity. (Seattle Comprehensive Plan, 2021)
  - Strive to increase class, race and age integration by equitably dispersing affordable housing opportunities. Discourage neighborhood segregation and the isolation of special needs populations. (Wenatchee Urban Area Comprehensive Plan, 2014)

Common housing policies - improved

Original policy:

- Maintain the character of established single-family neighborhoods, through adoption and enforcement of appropriate regulations.

Improved policy:

- Maintain the scale and form of buildings in established residential neighborhoods through adoption of context-sensitive regulations.

What we've heard…

- Consider stronger articulation of the effects that past discriminatory practices have created

- Step 1 should identify sources of information on racially discriminatory covenants and redlining

- Add more information on how to engage communities on these topics

- Provide examples of the data analysis and more clearly explain how the data analysis should be used to develop findings to inform policy

- What are the connections between the projected housing needs work and the racially disparate impacts work?

- Articulate those displacement strategies that are more effective

Next Steps

- Incorporate feedback on RDI Guidance

- Final RDI guidance published in November

- Webinar on December 6th on completed RDI Guidance

*We still have assistance available for this RDI work with our middle housing grants for PSRC jurisdictions. Contact Mary Reinbold at mary.reinbold@commerce.wa.gov.

New Proposed Housing Element Guidance Organization

- Book 1: Long Range Planning Framework

- Book 2: Community Engagement

- Book 3: Assessing Housing Needs **

- Book 4: Updating Policies and Strategies **

**Bulk of RDI material will be in books 3 and 4.

Thank you!

Washington State Department of Commerce

Anne Fritzel

GMS HOUSING PROGRAMS MANAGER

Anne.Fritzel@commerce.wa.gov

360.259.5216

Laura Hodgson

SENIOR PLANNER IMPLEMENTING HB 1220

Laura.Hodgson@commerce.wa.gov

360.764.3143

www.commerce.wa.gov

www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/