CITY OF BLACK DIAMOND
PLANNING COMMISSION AGENDA
March 12, 2024
Council Chambers, 25510 Lawson St., Black Diamond

THIS IS OFFERED AS A HYBRID MEETING AND MAY BE ATTENDED IN PERSON AT THE ABOVE NOTED ADDRESS OR BY JOINING VIRTUAL/TELEPHONICALLY. CALL IN AND JOINING INFORMATION FOLLOWS:

Zoom link to join meeting:
https://zoom.us/j/4254157187?pwd=RE9OV0VoU1RFc3psSHdjem9mMk9hdz09
Meeting ID: 425 415 7187
Password: PC

Telephone dial in options:
+1 206 337 9723 US (Seattle)
+1 253 215 8782 US (Tacoma)

Meeting ID: 425 415 7187
Password: 941820

6:00 P.M. - CALL TO ORDER, FLAG SALUTE, AND ROLL CALL

APPROVAL OF MINUTES:

1) Planning Commission Meeting of February 6, 2024

PUBLIC COMMENTS: Persons wishing to address the Planning Commission regarding items of new business are encouraged to do so at this time. Please use the "raise your hand" feature and once recognized by the Chair, you may unmute and state your name and city for the record. Please limit your comments to 3 minutes. For those dialing in, please press *9 to raise your hand and *6 to unmute yourself.

PUBLIC HEARINGS: None
STUDY/WORK SESSION:
UNFINISHED BUSINESS:
NEW BUSINESS:

2) Draft Economic Development Element

3) Draft Housing Element

COMMUNITY DEVELOPMENT DEPARTMENT REPORT:
PUBLIC COMMENTS:
ADJOURNMENT:

This site is barrier free. People needing special assistance or accommodations should contact the Community Development Department 72 hours in advance of the meeting at (360) 851-4447

CITY OF BLACK DIAMOND
PLANNING COMMISSION MEETING MINUTES
FEBRUARY 6, 2024, 6:00 PM

CALL TO ORDER, FLAG SALUTE, ROLL CALL

Chairperson Morgan called the meeting to order at 6:00 p.m.

Present: Commissioner Kelley Sauskojus
Commissioner Steve Jensen via Zoom
Commissioner Knut Syversen via Zoom
Commissioner Pam McCain
Commissioner Darcey Peterson
Chair/Commissioner Carol Morgan
Commissioner John Olson

Staff: Community Development Director, Mona Davis
Deputy City Clerk, Carina Thornquist
IT Staff, Jake Kapsandy

APPROVAL OF MINUTES:

1) Regular Planning Commission Meeting of January 9, 2024

There were no changes to the January 9, 2024, minutes and they were approved as presented.

PUBLIC COMMENT – None
PUBLIC HEARING – None
STUDY/WORK SESSION - None
UNFINISHED BUSINESS -

2) Sign Code Update
3) Comprehensive Plan Update

Director Davis introduced Wayne Carlson from AHBL, and they gave a joint update on the Sign Code and Comprehensive Plan by walking through the timeline that was provided in the memo.

Extensive discussion between the Commissioners and Director Davis took place.

Commissioner Jensen joined the meeting via Zoom at 6:48 pm.

Action: Director Davis will send an email with a Dropbox link with all the individual documents to be reviewed.

NEW BUSINESS - None
COMMUNITY DEVELOPMENT DEPARTMENT REPORT:

Director Davis reported on the following items:

- Middle Housing Grant and the AHBL contract were taken to the last Council meeting.
    - Navigate development regulations with the Comprehensive Plan this next year.
- Battery Energy Storage System (BESS) and Formal Code Interpretation is currently out for public noticing.
- Cumberland Aggregate Mine and Asphalt Plant
    - Community meeting at Black Diamond Elementary School on 2/27 from 6-8 pm
- Numerous site plans, especially along Hwy 169, are under review.
- Palmer Rezones went before Council in closed record hearing at January 11th meeting. Council approved rezones #1 and #2 but denied #3. The ordinance passed this past Thursday and takes effect this Saturday, 2/10/24. There is a 21-day appeal period associated with the decision process.

PUBLIC COMMENTS – None
ADJOURNMENT:

Commissioner Olson moved to adjourn, **second** Commissioner McCain **Vote**, motion **passed** 7 **-** 0. Meeting adjourned at 7:13 p.m.

These minutes were respectively recorded by Carina Thornquist, Deputy City Clerk

ATTEST:

______________________________	______________________________
Carol Morgan, Chairperson	Carina Thornquist, Planning Commission Secretary

DATE: March 12, 2024
TO: Mona Davis and Andy Williamson; City of Black Diamond
FROM: Bob Parker and Lee Ann Ryan; City of Black Diamond
SUBJECT: Proposed Edits and Changes to the Economic Element

ECOnorthwest, in partnership with AHBL and City of Black Diamond staff, are pleased to present a draft of the revised Economic Element for Planning Commission review on March 12, 2024.

The purpose of this memo is to provide a short summary that documents the proposed key changes to the Economic Development Element in support of the city's ongoing Comprehensive Plan Update. To help streamline review of the proposed changes, we have only used "tracked changes" to call out the proposed changes to the Goals and Policies. We recommend that this memo be circulated to the Planning Commission with a request for feedback / comments or questions.

Proposed changes were informed by conversations with city staff, analysis of key current and future economic related trends for Black Diamond (provided in the Economic Profile), a thorough review of the city's previous Economic Element, and compliance with both the GMA and PSRC requirements.

Summary of changes to Chapter 9 Economic Development Element include:

- Expansion of the Introduction to include more context specific to Black Diamond's history and key findings from the Economic Profile.
- Small text changes to the Planning Framework sections to provide more clarity around GMA requirements. The Planning Framework was also updated to reference PSRC's Vision 2050 and provide updated 2021 King County Countywide Planning Policies.
- Added a new section outlining the various commercial centers in Black Diamond that present distinct opportunities for the city and connect the goals and polices to places in Black Diamond.
- Relocated the "Economic Development Strategies" section to the end, renamed it to "Tools and Strategies", revised and added new strategies, and organized them under categories. The goal was to connect strategies to the revised goals and policies to create a framework for implementation.
- Separated out the Strengths, Weaknesses, Opportunities and Threats from the strategies and created a new section (before the goals and policies) called

"Opportunities and Barriers" and updated the high-level analysis given the shifting dynamics identified in the Economic Profile.

- Recategorized and consolidated many of the existing policies under expanding goals, ultimately expanding from four goals to eight in total.

CHAPTER 9. ECONOMIC DEVELOPMENT

9.1 Introduction

The economic profile for Black Diamond has changed dramatically over the years. Originally inhabited by the Bəqəlšuł of the Coast Salish People, this picturesque region was defined by its thriving fish stocks and the aroma of smokehouses.[1] The late 1800s brought about a seismic shift when the Black Diamond Coal Company of California relocated from Nortonville, California to set up shop in present-day Black Diamond, forever altering the economic trajectory of the city. With a network of railways at their disposal, the Black Diamond Coal Mining Company began supplying substantial quantities of coal to the burgeoning metropolis of Seattle. This coal-power connection between Black Diamond and Seattle laid the foundation for economic growth and industrial development in the region.2 The City of Black Diamond was officially incorporated in 1959, and while coal production has not been steady, the city has increasingly assumed the role of a commuter community.

A detailed Economic Profile on Black Diamond was completed during the 2024 Comprehensive Plan Periodic Update and is included in Appendix xx. The Economic Profile contextualizes Black Diamond's progress over the last decade and helps gauge population and employment growth over the next two decades. The Economic Profile was foundational to the goals and policies established in the Economic Element. Key findings include:

- Black Diamond experienced substantial population growth between 2018-2023, increasing 72%, primarily due to the partial buildout of the Ten Trails master planned development (MPD).
- Black Diamond has grown more racially and ethnically diverse over the last five years.
- The share of persons over the age of 25 with a bachelor's degree or higher increased from 20% to over 50% between 2011-2021.
- The population-employment (PE) ratio for Black Diamond was 7.85 in 2021. High PE ratios suggest communities are "bedroom" or commuter communities.
- By 2044, Black Diamond's population is projected to approach 12,000 residents.
- As Black Diamond continues to grow, its demographic profile will continue to shift as new households move into the area. Households are likely to be higher-income overall due to the price point of the new homes included in the MPDs.
- Finance, insurance, real estate, and service jobs are projected to steadily increase and become the largest employment sector by 2050. Retail jobs are also projected to substantially increase, from 13% to 23% of all jobs by 2050.

[1] "Indians of the Pacific Northwest," 2012, Deloria Vine, Fulcrum Publishing.
[2] "Black Diamond: Mining the Memories," 1988, Diane Olson, Frontier Publishing.

- Black Diamond is expected to add about 721 jobs by 2044: 681 jobs in commercial sectors and 40 jobs in industrial sectors. This could require an estimated 30 acres of land for commercial development and about 4 acres for industrial development. Black Diamond has a current land supply of 104.6 buildable acres according to the King County Urban Growth Capacity Report, plenty to accommodate expected employment growth. The additional land capacity serves as an opportunity to attract diverse jobs and economic activity.

The Economic Development Element establishes goals and policies that will support economic growth that enhances the City's character and quality of life, improves the City's tax base, and creates local jobs. The incorporation of this policy framework into the City's Comprehensive Plan ensures that economic decision-making is integrated into other aspects of growth and development within Black Diamond.

9.2 Planning Framework

The Growth Management Act (GMA) established the following statewide economic development goal: "Encourage economic development throughout the state that is consistent with adopted comprehensive plans; promote economic opportunity for all residents of the state, especially for unemployed and disadvantaged persons; and encourage growth in areas experiencing insufficient economic growth all within the capacities of the state's natural resources and local public services and facilities." The GMA requires local comprehensive plans to contain economic development elements. However, this requirement will not be enforced until state funding is made available. Nevertheless, Black Diamond recognizes that good growth management planning should factor in economic considerations and include an economic element to the previous comprehensive plan update.

Puget Sound Regional Council (PSRC)

The PSRC establishes multi-county planning policies and forecasts through its VISION 2050 regional plan. VISION 2050 recognizes that small and locally owned businesses create jobs and make vital contributions to the sustainability of the regional economy. The PSRC's economic strategies emphasize enriching the region's businesses and employment market through job retention, growth and diversification, and supporting small and locally owned businesses.

King County Countywide Planning Policies (CPPs)

The 2021 Countywide Planning Policies (CPPs) were designed to implement VISION 2050 and provide guidance in advance of the 2024 statutory update of comprehensive plans. The overarching goal established in the CPP states, "All people throughout King County have opportunities to prosper and enjoy a high quality of life through economic growth and job creation."

The Economic policies in the CPP are categorized by regional context, business development, people, and places. The goals and policies in this Economic Development Element support the following CPPs:

Regional Context

- EC-2 Support economic growth that accommodates employment growth targets through local land use plans, infrastructure development, and implementation of economic development strategies. Prioritize growth of a diversity of middle-wage jobs and prevent the loss of such jobs from the region.

Business Development

- EC-5 Help businesses thrive through:
  - Transparency, efficiency, and predictability of local regulations and policies;
  - Communication and partnerships between business, government, schools, civic and community organizations, and research institutions; and
  - Government contracts with local businesses.
- EC-7 Promote an economic climate that is supportive of business formation, expansion, and retention, and that emphasizes the importance of small businesses, locally owned businesses, women-owned businesses, and businesses with Black, Indigenous, and other People of Color; immigrant and refugee; LGBTQIA+; disabled; and women-owned or -led businesses, in creating jobs.
- EC-8 Foster a broad range of public-private partnerships to implement economic development policies, programs, and projects, including partnerships with community groups. Ensure such partnerships share decision-making power with and spread benefits to community groups.
- EC-9 Use partnerships to foster connections between employers, local vocational and educational programs, and community needs.
- EC-14 Celebrate the cultural diversity of local communities as a means to enhance social capital, neighborhood cohesion, the county's global relationships, and support for cultural and arts institutions.

Places

- EC-19 Add to the vibrancy and sustainability of our communities and the health and well-being of all people through safe and convenient access to local services, neighborhood-oriented retail, purveyors of healthy food (e.g., grocery stores and farmers markets), and transportation choices.
- EC-20 Promote the natural environment as a key economic asset and work to improve access to it as an economic driver. Work cooperatively with local businesses to protect and restore the natural environment in a manner that is equitable, efficient, predictable, and complements economic prosperity.
- EC-22 Maintain an adequate supply of land within the Urban Growth Area to support economic development. Inventory, plan for, and monitor the land supply and development capacity for manufacturing/industrial, commercial, and other employment uses that can accommodate the amount and types of economic activity anticipated during the planning period.
- EC-26 Encourage commercial and mixed-use development that provides a range of job opportunities throughout the county to create a closer balance between the location of jobs and housing.

- EC-28 Ensure public investment decisions protect culturally significant economic assets and advance the business interests of Black, Indigenous, and other People of Color communities; immigrant and refugees; and other marginalized communities.
- EC-29 Stabilize and prevent the economic displacement of small, culturally relevant businesses and business clusters during periods of growth, contraction, and redevelopment. Mitigate displacement risks through monitoring and adaptive responses.

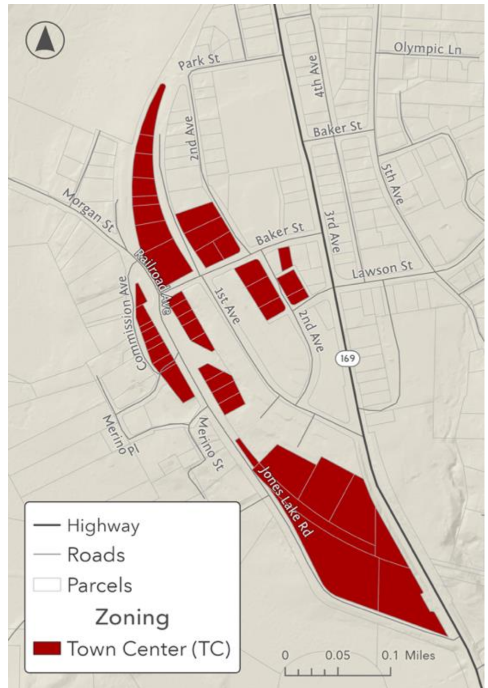
9.3 Commercial Centers in Black Diamond

The City of Black Diamond features three distinct and emerging commercial corridors—the Historic Black Diamond, the Gateway Corridor, and the Ten Trails Master Planned Development—that will be instrumental in advancing the city's economic development objectives. Each of these commercial districts, described in more detail below, possess unique opportunities that will help create a more stable foundation for Black Diamond's economy via targeted investment, urban planning initiatives, and business partnerships. By thoughtfully leveraging these existing corridors, the city can stimulate job growth, spur new real estate projects, nurture the next generation of local business owners, and forge an economic identity rooted in, but not confined to, Black Diamond's heritage.

Historic Black Diamond

The Town Center zoning designation, which includes areas along the SR 169 corridor at Lawson Street between 2nd and 4th Avenue, as well as the area along Railroad Avenue near Baker Street represents the historic core of the city. The area contains beloved community staples like the Black Diamond Bakery, the Old Black Diamond Museum, various restaurants, coffee shops, and retail stores. Regarded by many as the historic center of Black Diamond, this district has been referred to by names such as Old Black Diamond, Downtown, Old Town, Historic Black Diamond, and Town Center—though there is no consensus on one single name. Nonetheless, this area contains remnants of Black Diamond's origins as a coal mining town. Though small and lacking a cohesive identity, this commercial corridor and its businesses form part of the social and economic foundation of the community.

Exhibit 1: Historic Black Diamond, Town Center Zone

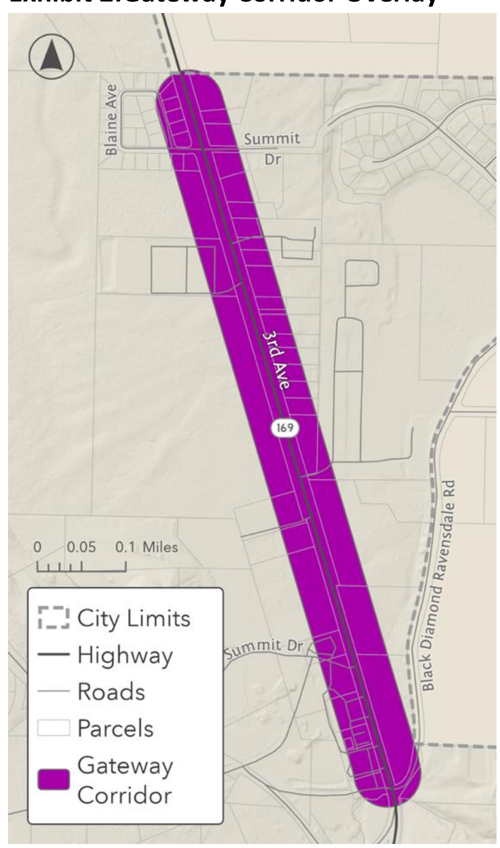


Source: City of Black Diamond; ECOnorthwest

Gateway Corridor

Serving as the northern entrance to Black Diamond along SR 169, the Gateway Corridor stretches south to Roberts Drive. Guided by the Gateway Corridor Overlay zoning, development in this area aims to gently transition from the rural outskirts into the urban center while protecting view corridors of the natural landscape - most notably, Mt. Rainier.[3] Currently, this area contains an eclectic mix of businesses such as breweries, churches, self-storage, car washes, towing services, gas stations, and some fast-food restaurants. Though still evolving, it forms crucial first impressions of Black Diamond for those entering the city limits. Mindful planning and cohesive development of this corridor can help unify aesthetics, leverage its high visibility and traffic, and ultimately transform it into a vibrant commercial focal point at the entrance of Black Diamond.

Exhibit 2:Gateway Corridor Overlay

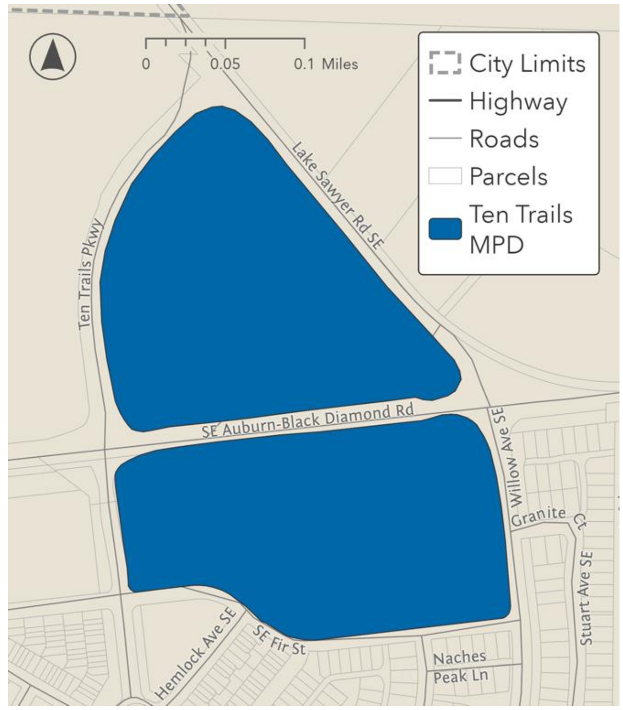


Source: City of Black Diamond; ECOnorthwest

Ten Trails

The Ten Trails Master Planned Development is envisioned to feature significant commercial development along Auburn Black Diamond Road. Currently, there is about 36 acres set aside for commercial in the area. This would be supported by the variety of housing options in Ten Trails catering to a more diverse demographic than the city has hosted in the past. As the Ten Trails community takes shape over the coming years, there will be an increasing demand for retail, dining, and service establishments convenient and accessible to residents. The addition of this commercial district would benefit the greater Black Diamond community through increased tax revenues, business opportunities, jobs, and amenities.

Exhibit 3: Ten Trails Future Commercial Area

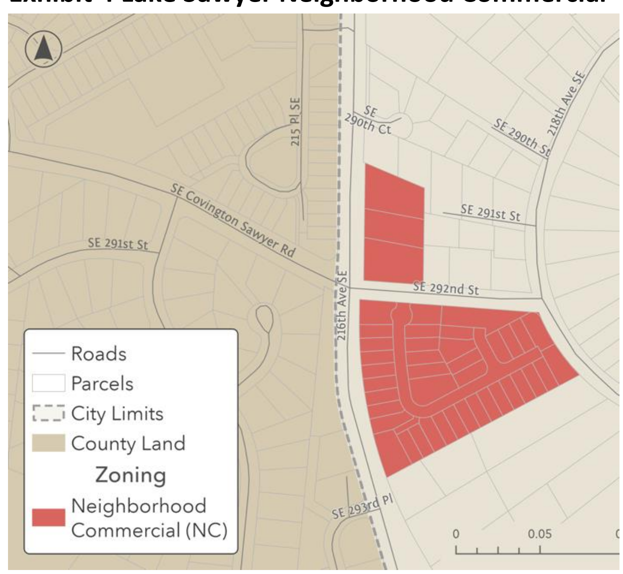


Source: City of Black Diamond; ECOnorthwest

Lake Sawyer Neighborhood Commercial

Black Diamond has a small commercial area situated in the Lake Sawyer area on the northwest side of the lake at the corner of 216th Ave SE and SE 292nd St, directly along the western edge of Black Diamond's city limits. Zoned for Neighborhood Commercial, this area contains a mix of small businesses like a grocery store, restaurant, and other service-oriented establishments that can meet the daily needs of nearby residents.

Exhibit 4 Lake Sawyer Neighborhood Commercial



Source: City of Black Diamond; ECOnorthwest

[3] The Gateway Corridor Overlay on this end of SR 169 officially represents the areas within 200 feet of the SR 169 Right-of-Way, commencing at the city's most northern boundary to the north side of the Roberts Drive intersection.

9.4 Opportunities and Barriers

Black Diamond is projected to grow substantially over the next 20 years as build out of the master plan communities continues. This population expansion will likely introduce new and diverse resident needs, increasing demand across a wider range of goods, services, and economic activity within the city. The city may experience and target growth in sectors such as small-scale manufacturing, tourism, healthcare, retail, real estate, and more to broaden the base of services available to meet the daily needs of both residents and visitors. While the city cannot choose the individual businesses and industries that ultimately locate in Black Diamond, this Economic Element offers an opportunity for the city to shape a vision for its economic development through strategic policy that is aligned with community values. This means clearly articulating the qualities the community cherishes and would like to preserve, improve, or leave in the past entirely. This section considered key barriers and opportunities that will directly impact Black Diamond's economic health, including a high-level SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis shown in the table below. The SWOT overview contains key factors the city should utilize to develop effective strategies for achieving its economic development goals.

Exhibit 5: SWOT Overview

STRENGTHS	WEAKNESSES
❖ Household growth and increased diversity ❖ View corridors and natural amenities ❖ Long-term local businesses ❖ Growing educational attainment	❖ Lack of transit access ❖ Lack of cohesive identity and vision, particularly in commercial areas ❖ Lack of diversified economy ❖ Small established commercial presence ❖ Local goods and services to meet daily needs ❖ Job opportunity ❖ Distance from major employment centers
OPPORTUNITIES	**THREATS**
❖ Population growth for attracting more goods and services ❖ Historic charm and character in Historic Black Diamond ❖ Available land and development interest/opportunity ❖ Access to outdoor recreation ❖ Traffic along SR 169 ❖ Expected job growth, particularly in commercial sector ❖ Remote work ❖ Support for commercial growth	❖ Community division related to growth and future vision ❖ Housing affordability ❖ Remote work

9.5 Economic Development Goals and Policies

Black Diamond envisions a thriving and diverse local economy that leverages its natural and cultural assets, respects its heritage, supports existing and new businesses, and provides quality jobs and services for its growing population.

The Economic Element is intended to provide a framework for enhancing the economic vitality and resilience of the city and its residents. The economic development element sets forth goals and policies to promote a resilient, sustainable, and diverse local economy. A strong economic base supports the well-being of the community by providing employment opportunities and generating tax revenue to fund essential public services. Through thoughtful planning and strategic investments, the city aims to create an environment where businesses thrive, job opportunities exist for residents, and a broad spectrum of household types can participate and share in its successes. The goals and policies outlined in this section provide guidance on how the city can achieve this strategic economic growth.

ED Goal 1*: Develop and support a diversified economy to achieve a sound fiscal base and a range of jobs that support various income levels for the City's residents.*

Policy ED-1.1: Ensure an adequate supply of land to support a range of employment uses and economic activities.

Policy ED-1.2: Work with other public and private interests to identify and promote sites which can be suitably developed for a variety of local employment opportunities.

Policy ED-1.3: Provide reasonable guidelines and standards for the siting of homebased businesses in residential neighborhoods without altering or impacting the residential character of the neighborhoods.

Policy ED-1.4: Enable and encourage low-impact light industrial uses such as artist's studios, commercial kitchens, and small-scale manufacturing to locate within the City's designated commercial areas.

Policy ED-1.5: Leverage existing tourism and recreation opportunities to contribute more directly to the City's economy.

Policy ED-1.6: Promote a healthy economy by supporting existing business and encouraging business expansion.

Policy ED-1.7: Work to decrease the population-to-jobs ratio to help achieve a closer balance of job opportunity and local population, diversify the local economy, and meet employment targets.

Policy ED-1.8: Leverage population growth within the master planned projects to attract new commercial development.

ED Goal 2: *Establish a cohesive vision and policy framework to guide the implementation of economic development goals in the long term.*

Policy ED-2.1: Create an Economic Development Strategic Plan involving local businesses, community groups, school districts, and city leadership that further identifies priorities for job creation in targeted industries, infrastructure needs, regulatory barriers, and incentives to attract needed and desired businesses.

Policy ED-2.2: Prioritize regulations and programs that facilitate needed and desired outcomes for achieving an equitable and sustainable local economy.

Policy ED-2.3: Develop incentive programs that attract businesses in targeted sectors such as tourism, retail, healthcare, and real estate, reinforce historic character, help create a more centralized downtown core, and help provide living wage jobs.

Policy ED-2.4: Prioritize investments in public infrastructure and establish a cohesive identity in key areas that demonstrate the city's commitment to attracting new economic opportunities for both businesses and residents.

ED Goal 3: *Serve as an active partner in shaping an environment where businesses can thrive, helping to attract new businesses, enable existing ones to grow and expand, and stabilize those that contribute to Black Diamond's small-town culture and history.*

Policy ED-3.1: Allocate sufficient resources to process development permits efficiently and professionally.

Policy ED-3.2: Initiate cooperative and collaborative economic development efforts with other government, private corporations, and nonprofit entities to identify innovative development methods and increase economic vitality.

Policy ED-3.3: Revise procedures and development regulations that allow for more transparency, efficiency, and uniformity in application.

Policy ED-3.4: Facilitate the establishment of new businesses and expansion of existing businesses through fair, consistent, and timely permitting and licensing processes.

Policy ED-3.5: Establish a cohesive identity for Black Diamond through marketing and image building tools that highlight its unique cultural, historic, recreational and environmental assets.

Policy ED-3.6: Encourage the continuation and expansion of events, promotions, and holiday festivals that attract residents and visitors to participate more in the local economy.

Policy ED-3.7: Recognize local arts and cultural programs as a contribution to the City's economic diversity by expanding and supporting cultural experiences and investments that can attract more tourism.

Policy ED-3.8: Support the efforts of local, regional, and state economic development organizations in their promotional activities to attract new businesses and industries to the community. Businesses in the City are served by the US SBA's Small Business Development Center office at Green River Community College (Auburn) and the Greater Maple Valley-Black Diamond Chamber of Commerce and are important partners.

ED Goal 4: *Stimulate economic development by enhancing the role of the historic district as the heart of the community that creates a visible link to the City's unique past.*

Policy ED-4.1: Prioritize supportive program and policies for existing and new businesses that contribute to and enhance the historic district's character, making it the "place to be" for social and civic activities.

Policy ED-4.2: Establish a preservation initiative that promotes the use of anti-displacement tools to proactively mitigate commercial displacement risks and stabilize cherished businesses that greatly contribute to the historic character and culture in the Historic District.

Policy ED-4.3: Identify and encourage the preservation of lands, sites and structures that have historical, cultural, scenic, and or archaeological importance.

ED Goal 5: Promote Black Diamond as a dynamic basecamp and destination for accessing the area's abundant outdoor recreation assets.

Policy ED-5.1: Improve wayfinding signage to increase visitor traffic flow into the city and between recreational sites and commercial hubs in Black Diamond.

Policy ED-5.2: Utilize the Gateway Overlay District to promote Black Diamond's scenic beauty and facilitate development that enhances it to draw in new visitors.

Policy ED-5.3: Establish programs that can offer financial assistance to existing businesses to improve storefronts, install bike racks, enhance lighting/landscaping, and provide trail information to attract and better serve residents and visiting outdoor recreators.

Policy- ED-5.4: Coordinate with the Washington State Department of Transportation (WSDOT), King County, and adjacent cities to plan for maintenance and improvements in the SR 169 corridor to make accessing Black Diamond safer and more efficient for residents and visitors.

ED Goal 6: Leverage consumer demand from emerging master planned communities to attract and provide adequate retail and services.

Policy ED 6.1: Understand unmet consumer needs to help inform recruitment of grocery stores, restaurants, health, finance, insurance, and real estate services, along with other needed establishments.

Policy ED 6.2: Adopt supportive policies that help attract more commercial development and incentivize mixed-use development to better integrate more affordable housing options and commercial opportunity.

Policy ED 6.3: Develop incentive programs to attract commercial investments that align with community needs and desires, particularly those that help facilitate other community goals related to housing, walkability, sustainability, and urban design.

Policy ED-6.4: Increase the amount of retail and service sales occurring within the City by promoting the City’s locally-produced goods and unique services.

ED Goal 7: Prioritize infrastructure investments that support the implementation of economic development goals and policies.

Policy ED-7.1: Focus investments on infrastructure and services that assist with meeting and align with the scale of population, housing, and job growth targets.

Policy ED-7.2: Prioritize sites with substantial development capacity to ensure the greatest possible returns for extending and providing service.

Policy ED 7.3: Prioritize projects that efficiently and safely connect key commercial district areas to each other, and to major residential areas, to improve accessibility and encourage visitor flow throughout Black Diamond.

Policy ED-7.4: Foster partnerships with community leaders and business to explore equitable cost/benefit trade-offs between private and public sector interests for the costs involved in the provision of water, sewer, access roads, fire and police protection, and the public benefit which may be realized by the creation of local jobs and increased tax revenue.

ED Goal 8: Promote sustainable business practices and environmental protections as they relate to growth and economic development in Black Diamond.

Policy ED-8.1: Develop and maintain regulations that allow for continued economic growth while respecting the environment and quality of life in Black Diamond.

Policy ED-8.2: Utilize incentive structures to encourage the use of "green" materials, low impact development techniques, solid waste reduction and recycling, and efficient use of water and energy for all development types and local business operation to help protect the natural environment in Black Diamond.

9.6 Tools and Strategies

Nurturing a healthy business climate in Black Diamond will be achieved by building on the city's economic development potential and overcoming existing constraints. The economic development strategies listed below will build positive momentum toward achieving the city's goals for a more balanced and healthy economy.

Programmatic Strategies

- **Opportunity Site Inventory**: Identify sites where the city can participate in cost-sharing mechanisms for infrastructure development.
    - Establish a policy that prioritizes capital investments to or on opportunities sites or other capital projects that better connect commercial nodes. This could include sidewalks, trails, bike paths, etc.
- **Economic Development Committee**: Establish a city council-appointed committee to help market Black Diamond as a regional recreational center to attract more tourism that can support local businesses. The committee can:
    - Lead an economic development strategy update every 1-3 years.
    - Help convene other governments and private companies that can leverage resources or provide financial support for economic development efforts that support the broader region.
    - Coordinate with the King County Economic Opportunity & Creative Economy or other relevant and neighboring organizations working on workforce development programs to

help identify ways Black Diamond can collaborate in promoting regional workforce development.
    - Lead a retail leakage analysis to understand unmet commercial needs and outline viable development opportunities.
- **Establish Cohesive Identities for Commercial Nodes**: Develop identities through events, festivals, signage, and other improvements that help establish or enhance existing character within commercial nodes.
    - Consider the benefits of establishing a Local Improvement District to help secure funding for these initiatives.
    - Consider developing and implementing a wayfinding plan that supports the community's economic development objectives.

Financial Strategies

- **Leverage Grant Dollars**: Utilize federal, state, or county grant dollars to support small local business establishment and expansion.
- **Incentives**: Consider incentives such as Multifamily Tax Exemption (MFTE) that might help incentivize more mixed-use development and provide affordable housing options.

Regulatory Strategies

- **Code Audit**: Ensure the zoning code supports/incentivizes a broad range of needed and desired businesses in various zones.
    - **Study Allowed Uses:** Ensure needed and desired businesses are allowed in certain zones, including accessory uses which can support home-based businesses.
    - **Design standards**: Consider revisiting existing design standards to ensure they adequately support efforts to maintain and enhance existing character without compromising development feasibility.
    - **Flexible parking standards:** Develop flexible parking standards that can respond to site conditions.
- **Revised Gateway Corridor Design Standards:** Update the design standards and allowed uses for the Gateway Corridor to enhance its natural beauty but deemphasize its auto-oriented environment.

Procedural Strategies

- **Capacity Building**: Leverage increased tax revenue from population growth to increase government service capacity in city departments that can help create more seamless and accessible development processes for new businesses.
- **Clear and Objective Development Standards**: Establish clear and objective development standards for all development types, reducing the need for conditional use processes or other discretionary review processes.

ECONOMIC PROFILE

The economic profile for Black Diamond has changed dramatically over the years. Originally inhabited by the Bəqəlšuł of the Coast Salish People, this picturesque region was defined by its thriving fish stocks and the aroma of smokehouses.[1] The late 1800s brought about a seismic shift when the Black Diamond Coal Company of California relocated from Nortonville, California to set up shop in present day Black Diamond, forever altering the economic trajectory of the city. With a network of railways at their disposal, the Black Diamond Coal Mining Company began supplying substantial quantities of coal to the burgeoning metropolis of Seattle. This coal-power connection between Black Diamond and Seattle laid the foundation for economic growth and industrial development in the region.[2] The City of Black Diamond was officially incorporated in 1959, and while coal production has not been steady, the city has increasingly assumed the role of a commuter community.

To construct a comprehensive economic profile for Black Diamond that is contextualized within the greater region, this report draws from a variety of data sources. The key data sources utilized in this profile include:

- Washington State Office of Financial Management (OFM), Forecasting Division: The OFM provides official population forecasts, enabling assessment of long-term population growth and demographic trends and their implications for the local economy. The OFM includes both intercensal (more accurate) and postcensal (more predictive) population estimates.
- 5-Year American Community Survey (ACS) Data: The detailed socioeconomic information provided by the 5-Year ACS, which is conducted by the U.S. Census Bureau, offers extensive data on demographic characteristics, income levels, educational attainment, and housing patterns among residents within Black Diamond.
- PSRC Covered Employment Estimates: The Puget Sound Regional Council's (PSRC) covered employment estimates provide a detailed breakdown of employment by industry and geography, helping to gauge the composition and changing trends of the local workforce. Data for many economic sectors in Black Diamond is suppressed due to confidentiality restrictions. Due to these limitations, the profile presents data for "Major Sectors."
- PSRC LUV-it Projections: The Puget Sound Regional Council's (PSRC) Land Use Vision (LUV-it) projections provide population, household, housing unit, and employment forecasts at the regional, county, city, and transportation analysis zone (TAZ) level. PSRC released the most recent projections in June 2023.
- LEHD Origin-Destination Employment Statistics (LODES) from the U.S. Census Bureau: Our analysis of employment dynamics relies on the dataset known as LEHD (Longitudinal Employer-Household Dynamics) Origin-Destination Employment Statistics, sourced from the U.S. Census Bureau. This dataset offers detailed information on

[1] "Indians of the Pacific Northwest," 2012, Deloria Vine, Fulcrum Publishing.
[2] "Black Diamond: Mining the Memories," 1988, Diane Olson, Frontier Publishing.

commuting patterns, industry-specific employment, and workforce characteristics, providing insights into the region's labor market and industry composition.

Growth Management Act (GMA) Requirements

The Washington State Department of Commerce provides guidance for cities to update their comprehensive plans as a part of the Growth Management Act, originally adopted in 1990 by the Washington State Legislature. As it relates to this project, the GMA requires a Buildable Lands Program every ten years; Urban Growth Areas (UGAs) that accommodate the succeeding 20-year period of projected population and employment growth; Comprehensive Plan elements that include an economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life, consistent development regulations, and Capital Facilities Plans (CFPs) to sustain urban development.

Population and Demographics

Overview

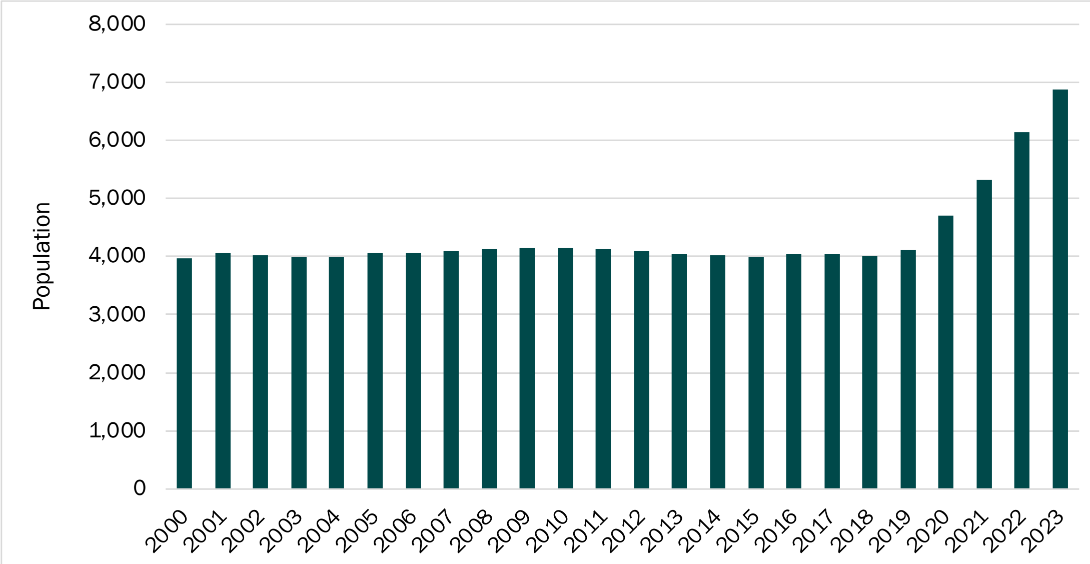
This section provides an overview of Black Diamond's demographic profile and population trends. Black Diamond's recent and substantial increase in population directly affects its employment demands. Below are the key changes to Black Diamond's population and demographic profile.

- Black Diamond experienced substantial population growth between 2018-2023, increasing 72%. This increase is primarily due to the buildout of the Ten Trails master planned development (MPD).
- PSRC projects continued growth for Black Diamond through 2050, with an average annual growth rate of 3.5% compared to 1% for King County.
- By 2040, Black Diamond's population is projected to approach 12,000 residents.
- Black Diamond has grown more racially and ethnically diverse over the last five years.
- As Black Diamond continues to grow, its demographic profile will continue to shift as new households move into the area. Households are likely to be higher-income overall due to the price point of the new homes included in the MPDs.

Population

After decades of stagnant population growth, Black Diamond experienced significant population growth between 2017-2023, growing from 4,033 to 6,880 residents (a 71% increase). The increase in population is largely attributed to the buildout of the Ten Trails master planned development, which will continue over the next decade or so.

Exhibit 1. Total Population, Black Diamond, 2000–2023



Source: WA Office of Financial Management (Intercensal, postcensal, and estimated)

Black Diamond is growing particularly fast, even against the backdrop of a rapidly growing county and region, all experiencing historic growth rates. Exhibit 2 shows Black Diamond grew at an average annual growth rate (AAGR) of 11.4% from 2018-2023, significantly outpacing the population growth of nearby comparison cities and King County as a whole. Throughout this profile, we used North Bend, Enumclaw, Maple Valley, and Covington as comparison cities. We selected these cities due to their proximity and population size relative to Black Diamond, helping to gain a better understanding of Black Diamond's economic environment, how nearby cities might affect it and how it fits into the larger regional context.

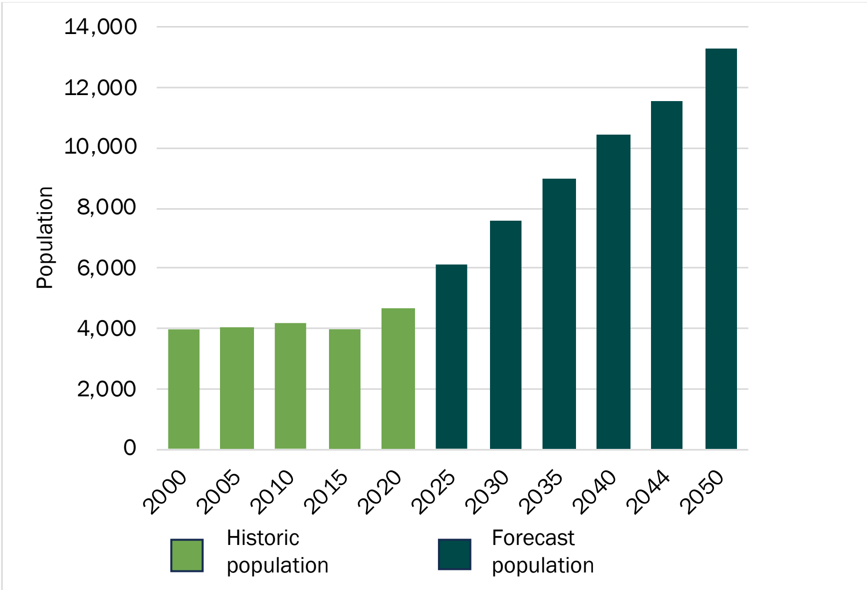
Exhibit 2. Population Growth, Black Diamond and Nearby Cities, 2013, 2018, and 2023

	Population			Change 2013 to 2018			Change 2018 to 2023		
Area	2013	2018	2023	Number	Percent	AAGR	Number	Percent	AAGR
Black Diamond	4,049	4,011	6,880	-38	-1%	-0.2%	2,869	72%	11.4%
North Bend	6,041	6,829	8,120	788	13%	2.5%	1,291	19%	3.5%
Enumclaw	11,090	11,680	13,090	590	5%	1.0%	1,410	12%	2.3%
Maple Valley	24,194	26,125	29,250	1,931	8%	1.5%	3,125	12%	2.3%
Covington	18,020	20,407	21,600	2,387	13%	2.5%	1,193	6%	1.1%
King County	1,983,550	2,187,460	2,347,800	203,910	10%	2.0%	160,340	7%	1.4%

Source: Source: WA Office of Financial Management (Intercensal and postcensal), ECOnorthwest Analysis

PSRC anticipates Black Diamond will continue growing, so by 2044 Black Diamond's population is expected to approach 12,000, and exceed 13,000 by 2050. The PSRC projection assumes an average annual growth rate (AAGR) of 3.5% for Black Diamond (King County has a projected AAGR of 1.0%).

Exhibit 3. Historic and Projected Population, Black Diamond, 2000-2050



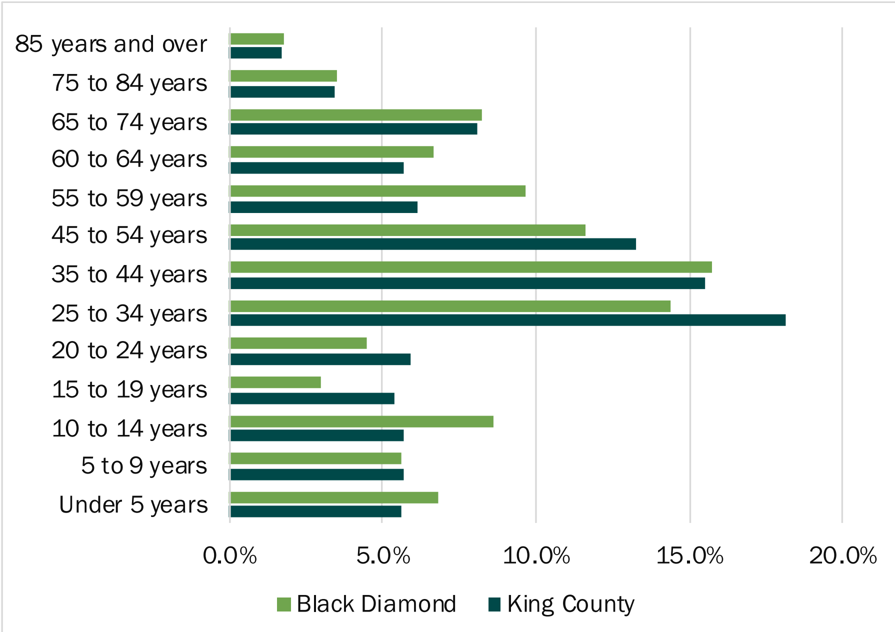
Source: WA Office of Financial Management (historic) and PSRC LUV-it (forecast)

Demographic Characteristics

The population distribution of Black Diamond by age group is similar to King County, as shown in Exhibit 4. However Black Diamond has a higher concentration of residents between the ages of 55-59 than the County overall, who will likely be reaching retirement in the next decade. Black Diamond also has a higher concentration of children 5 and under and between 10-14 years of age compared to the County, which positions Black Diamond as a place families choose to locate.[3]

[3] Black Diamond was compared with King County (as opposed to historic 2011 Black Diamond data) because the small population sample size for Black Diamond, the number of specificity of ACS age group breakdowns, and the recent population growth not adequately represented in ACS data make it challenging to discern clear trends within Black Diamond's demographic data. By comparing Black Diamond to King County, we can provide a more accurate depiction of Black Diamond's current demographic characteristics and better assess how it aligns with broader aging trends.

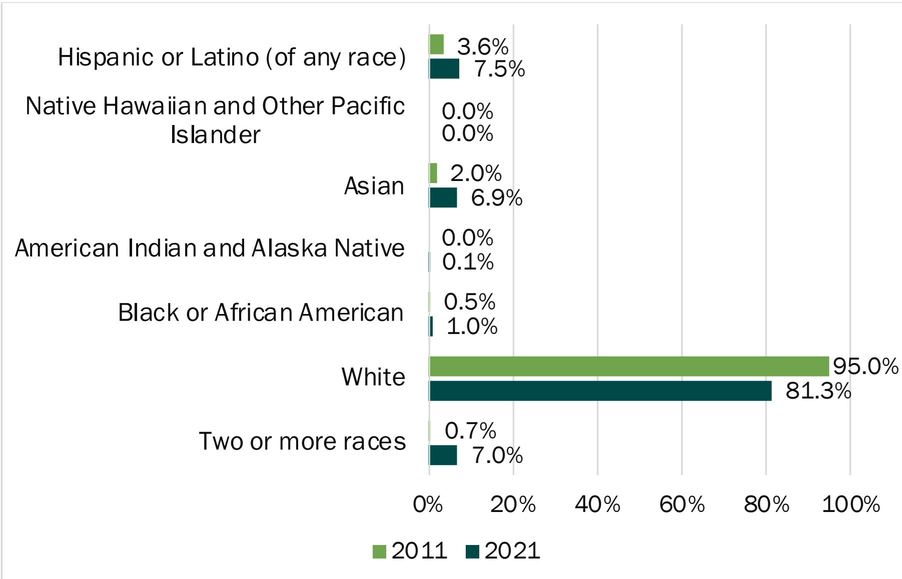
Exhibit 4. Population Distribution by Age Group, Black Diamond and King County, 2021



Source: U.S. Census Bureau, 2017-2021 ACS 5-Year Estimates, Tables DP05.

In 2011, the Black Diamond population was predominantly White (95%), with Hispanic or Latino as the second largest group, at 3.6% as shown in Exhibit 5. Black Diamond's population has diversified greatly since 2011, with notable increases in Hispanic or Latino (of any race), Asian, and two or more races. Black, Indigenous, and People of Color (BIPOC) made up approximately 5% of the Black Diamond population in 2011 and increased to approximately 19% of the population in 2021 (for comparison, BIPOC made up approximately 30% of the King County population in 2011 and 40% of the King County population in 2021).

Exhibit 5. Population by Race and Ethnicity, Black Diamond, 2011 and 2021



Source: U.S. Census Bureau, 2007-2011 and 2017-2021 ACS 5-Year Estimates, Tables DP05.

In 2011, the ACS reported that more women than men lived in Black Diamond (53.9%). The 2021 ACS reported more men than women live in Black Diamond (53.6%), a 7% shift.[4] For comparison, the reported gender in King County remained close to equal, with 50.2% women in 2011 and 49.5% in 2021, just a 0.7% shift).

Exhibit 6 shows historic and projected household growth of Black Diamond and comparison cities. In the span of a decade, from 2011 to 2021, Black Diamond added 407 households to the City. This 2011 to 2021 household growth represents an average annual growth rate (AAGR) of 2.4%, much higher than comparison cities. Looking ahead, the PSRC LUV-it projects an even higher growth in households estimating an average annual growth rate (AAGR) of 4.2% for Black Diamond, much higher than comparison cities but consistent with the number of dwelling units entitled by master plans in Black Diamond. This translates to 2,270 new households in Black Diamond between 2021 and 2044. This translates to a 147% increase from 2021 to 2044. The PSRC adopts this consistent AAGR of 4.2% for the entirety of their household projections, up through 2050, with a 2044 projected population of 11,566.

[4] While the margin of error is relatively high (3.4%-3.8%) due to the relatively small sample size of population in Black Diamond, the reported shift of 7% is still within the acceptable margin of error.

Exhibit 6. Household Growth, Black Diamond and Comparison Cities, 2011, 2021, and Forecast 2021 to 2044

Year	Black Diamond	Enumclaw	Maple Valley	North Bend	Covington
2011	**4,120**	10,901	23,028	5,841	17,615
2021	**5,320**	12,830	28,640	7,685	20,890
2044	**11,566**	14,017	30,196	10,591	30,605
Change 2011 to 2021					
Change in Pop	**1,200**	1,929	5,612	1,844	3,275
Percent Change	**29%**	18%	24%	32%	19%
AAGR	**2.59%**	1.64%	2.20%	2.78%	1.72%
Change 2021 to 2044					
Change in Pop	**6,246**	1,187	1,556	2,906	9,715
Percent Change	**117%**	9%	5%	38%	47%
AAGR	**3.43%**	0.39%	0.23%	1.40%	1.67%

Source: U.S. Census Bureau, 2007-2011 & 2017-2021, ACS 5-Year Estimates, Tables DP02 and PSRC LUV-it

Economic Context

Overview

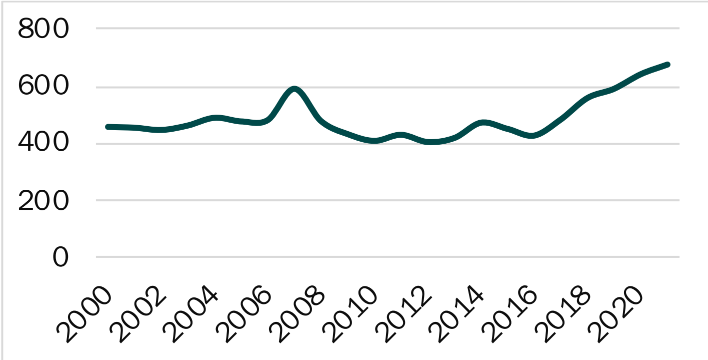
Resulting from the changing population and demographics of Black Diamond, the economic context has also shifted recently. Key changes in Black Diamond's economic context include:

- Construction and natural resources jobs increased substantially around 2018 but are projected to taper off over time.
- Finance, insurance, real estate, and services (FIRES) jobs are projected to steadily increase and be the largest employment sector by 2050.
- Retail jobs are also projected to substantially increase, from 13% to 23% of all jobs by 2050.
- Black Diamond has a large outflow of workers that commute to work outside of Black Diamond daily. Of total workers, about 1,971 (78%) leave Black Diamond for work. Only 55 people both live and work in Black Diamond.
- The share of persons with a bachelor's degree or higher increased from 20% to over 50% between 2011-2021.

Employment

PSRC data, as seen in Exhibit 7, show that employment in Black Diamond ranged between 400 and 600 jobs between 2000 and 2018. Employment grew from 423 in 2016 to its highest of 678 in 2021 – a 60% increase.

Exhibit 7. Change in Total Employment, Black Diamond, 2000-2021



Source: PSRC Covered Employment by City – Major Sector

Exhibit 8 shows the population-employment (PE) ratio for Black Diamond. The PE ratio was nearly 9 persons per job in 2001, which shifted to 9.67 in 2011. Employment grew at a rate faster than population between 2011 and 2021. High PE ratios suggest communities are "bedroom" or commuter communities. By comparison, the PE ratio for King County was 0.85 persons per job in 2021.

Exhibit 8. Population-Employment Ratio, Black Diamond, 2001, 2011 and 2021

Year	Population	Employment	P:E Ratio
2001	4,051	451	8.98
2011	4,120	426	9.67
2021	5,320	678	7.85

Source: PSRC Covered Employment by City, OFM Population Estimates

Notable shifts in the services, construction and resources, and education sectors occurred in Black Diamond since 2000 as shown in Exhibit 9. Services has been the largest employment sector in Black Diamond since 2000, but construction and resources showed significant growth starting in 2009. In 2020, services comprised 218 jobs (accounting for about 34% of all jobs in Black Diamond) and construction and resources comprised 226 jobs (accounting for about 35% of all jobs in Black Diamond). Education jobs remained consistent in Black Diamond for the decade of 2000 through 2010, accounting for about 20% of all jobs in Black Diamond (about 100 jobs), then dropped significantly in 2013 and has since accounted for about 9% of all jobs in Black Diamond (nearly 60 jobs in 2021).

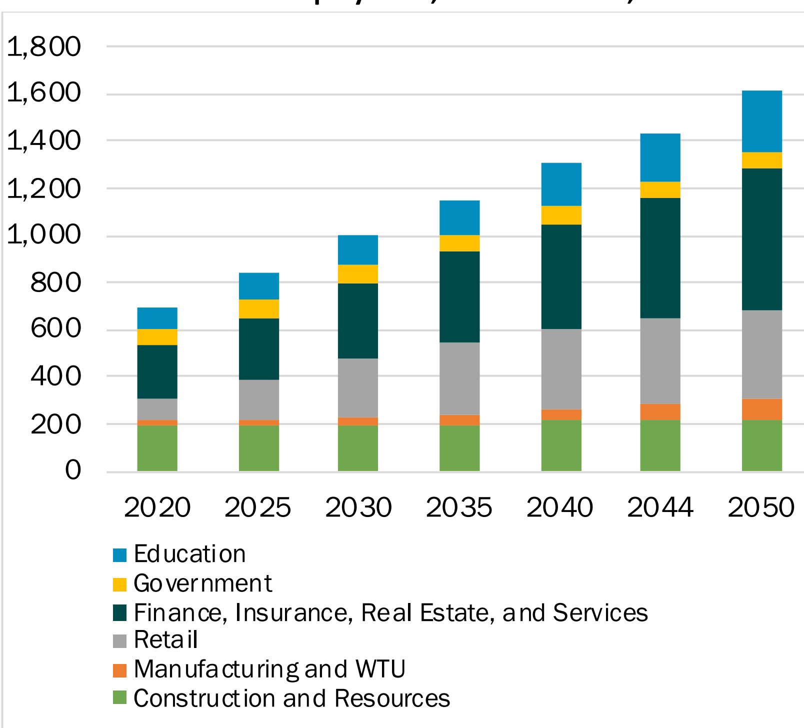
Exhibit 9. Share of Employment by Major Sector, Black Diamond, 2001, 2011 and 2021

Sector	2001	2011	2021
Construction & Resources	15%	10%	31%
Finance, Insturance, & Real Estate	C	3%	C
Manufacturing	C	4%	C
Retail	12%	8%	5%
Services	30%	45%	35%
Wholesale, Transportation, & Utilities	7%	5%	5%
Government	10%	13%	8%
Education	22%	12%	9%
Total Jobs	451	426	678

Source: PSRC Covered Employment by City – Major Sector
Note: "C" signifies "Confidential" to protect employer information as unique employers are too few to protect confidentiality.

The PSRC LUV-it projects employment in Black Diamond will increase from 678 jobs in 2021 to 1,431 in 2044 – a 117% increase. The Population-Employment ratio in 2044 is 7.86 – a minor change from 7.85 in 2021.

Exhibit 10. Forecasted Employment, Black Diamond, 2020 – 2050



Source: PSRC LUV-it ((Constr_Res signifies construction and resources, Manuf_WTU signifies Manufacturing [Wholesale, Transportation, and Utilities], FIRES signifies Finance, Insurance, Real Estate, and Services, Retail signifies retail and food services, Gov signifies Government, and Edu signifies Education)

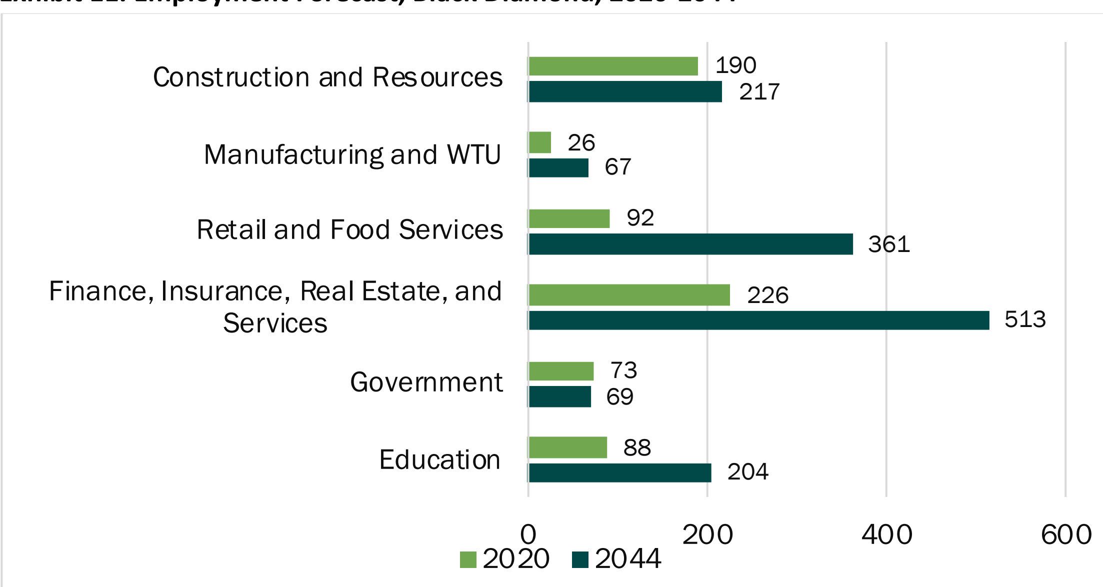
Exhibit 11 shows the Black Diamond employment forecasts, the PSRC projects the Finance, Insurance Real Estate, and Services (FIRES) sector in Black Diamond will comprise the largest proportion of jobs, growing steadily over the next 30 years, (comprising approximately 37% of all jobs in Black Diamond by

2044). Retail is projected to grow from about 13% of all jobs in Black Diamond in 2020 to about 25% of all jobs by 2044 (92 jobs to 361). Education is projected to remain a steady proportion of all jobs in Black Diamond by 2044, about 14% of all jobs, increasing from 88 total jobs to 204 by 2044. The construction and resources sector is projected to decrease as a proportion of Black Diamond's overall jobs, from about 27% in 2020 to 15% by 2044, but still grow in overall jobs, from 190 in 2020 to a projected 217 by 2044.

Note on Retail Sales in Black Diamond

Black Diamond's economy currently lacks diversity, primarily because of its small size and location within King County. Up until the recent past, there has been little demand for large grocery stores or other commercial uses such as financial and medical services that can meet the daily needs of residents. Additionally, the city's proximity to major transit corridors has kept demand for warehousing and large-scale manufacturing at bay and will likely continue to do so into the future. However, with recent and continuing population growth, demand is on the rise for more local commercial services. Currently, most residents are meeting their daily needs in other nearby cities like Maple Valley and Black Diamond is unable to capture revenues generated through those expenditures. According to the U.S. Census Bureau, Black Diamond's total retail sales per capita in 2017 was just $2,456. For comparison purposes, Maple Valley was just over $10,000, Covington was around $27,000, and Enumclaw was just over $26,000. Given the lack of available commercial services, Black Diamond residents are likely shopping outside of the city to meet their daily needs, services and entertainment.

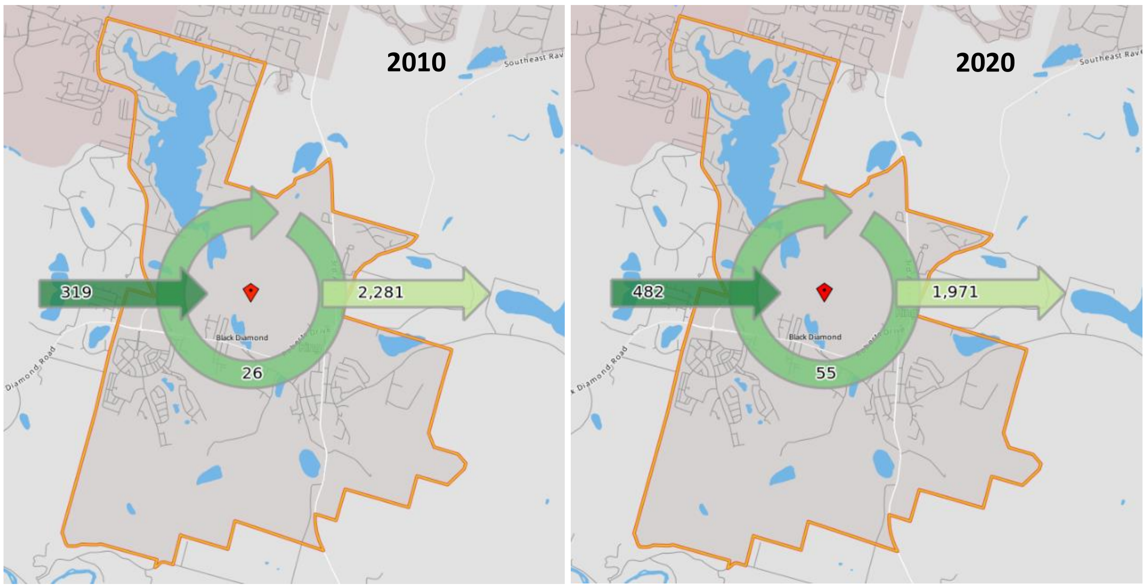
Exhibit 11. Employment Forecast, Black Diamond, 2020-2044



Source: PSRC LUV-it

Black Diamond has far more people that live in the city than work there. Exhibit 12 shows Black Diamond sees a daily outflow commute of 1,971 residents that are employed outside of the city, 482 people who commute into Black Diamond for work, and just 55 workers that both live and work in Black Diamond. Notably, since 2010, Black Diamond has seen a decrease in the number of workers commuting out of the city for work despite substantial population growth, along with an increase in the amount of people flowing into Black Diamond for work. This could be linked to layoffs that occurred during the onset of the COVID-19 pandemic. However, with many residents still commuting out of Black Diamond for work solidifies the city's position as a commuter community.

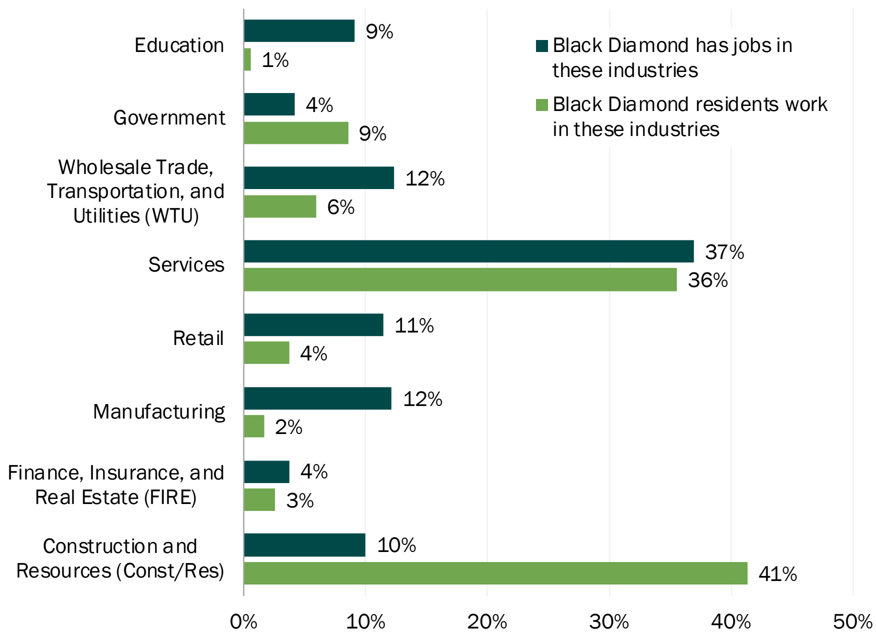
Exhibit 12. Inflow/Outflow Job Counts (Commute Patterns), Black Diamond, 2010 and 2020



Source: U.S. Census Bureau; OnTheMap Application and LEHD Origin-Destination Employment Statistics (2010 & 2020)

Exhibit 13 shows the number of jobs in the services sector in Black Diamond closely aligns with the number of Black Diamond residents employed in that sector. The construction and resources sector has substantially more residents that work in this sector than the city has jobs, meaning that these Black Diamond residents are commuting out of town for their employment (this is consistent with much of the construction industry that regularly change site locations as projects get completed). The education sector has far more jobs in Black Diamond than residents that work in the education.

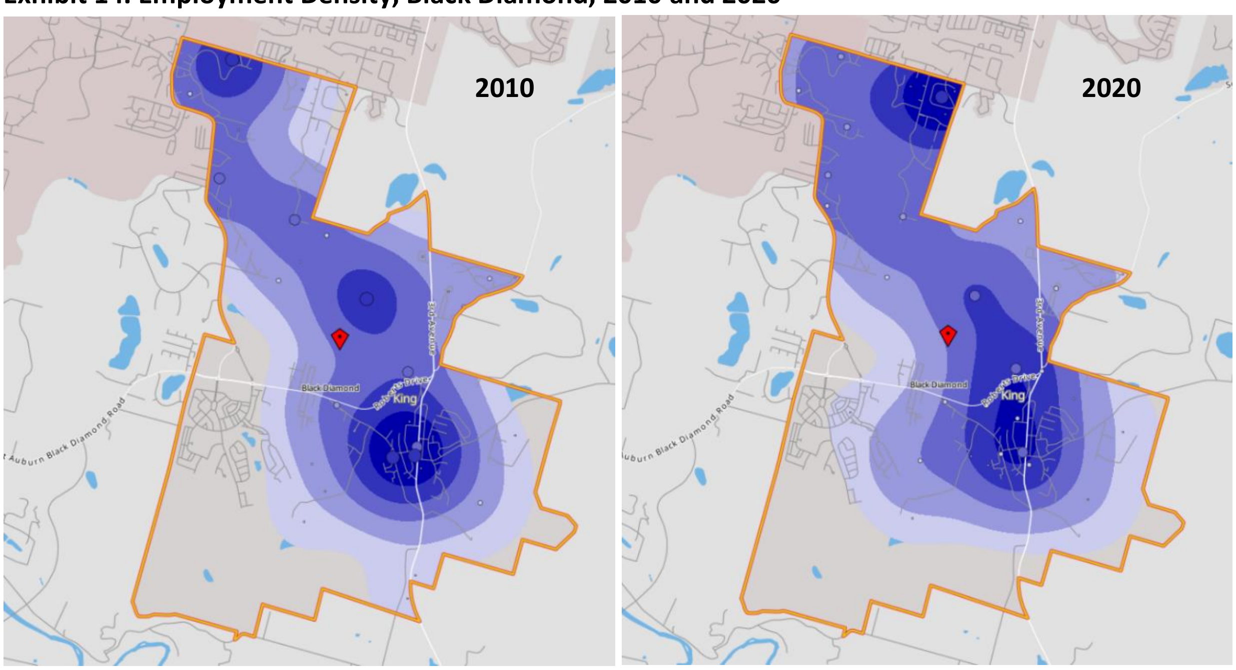
Exhibit 13. Employment of Black Diamond and Where Residents Work, 2020



Source: U.S. Census Bureau; OnTheMap Application and LEHD Origin-Destination Employment Statistics (2020)

Exhibit 14 shows that the Southeast center of Black Diamond contains the densest amount of employment and increased in density there since 2010. The Northern limits of the city also experienced an increase in employment density since 2010.

Exhibit 14. Employment Density, Black Diamond, 2010 and 2020

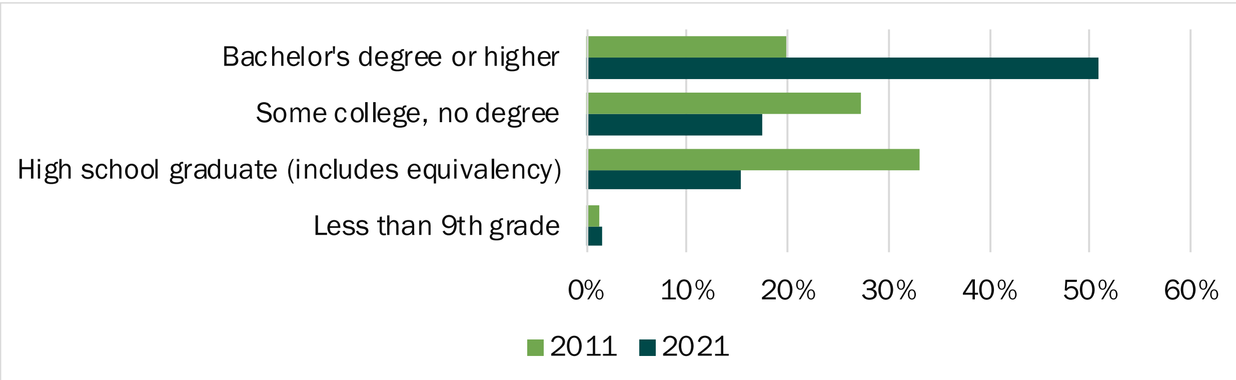


Source: U.S. Census Bureau; OnTheMap Application and LEHD Origin-Destination Employment Statistics (2020)

Labor Force and Unemployment

Statistically, Black Diamond's workforce is becoming more highly educated. Exhibit 15 shows less than 20% of Black Diamond's population had a Bachelor's degree or higher in 2011, and that number increased to over 50% in 2021, matching more closely with King County overall. Those in Black Diamond with education less than a high school graduate level remain a very small percentage of the Black Diamond population.

Exhibit 15. Share of 25+ Year Old's Educational Attainment, Black Diamond, 2011 and 2021



Source: Source: U.S. Census Bureau, 2007-2011 & 2017-2021, ACS 5-Year Estimates, Tables DP02

Between 2011 and 2021, unemployment decreased across King County. Black Diamond, which already had low unemployment percentages in 2011 (2.9% compared with King County's 4.9%), decreased even further by 2021 (0.9% compared with King County's 3.2%). Black Diamond has an extremely low and enviable unemployment rate.

The median household income increased substantially between 2011 and 2021 in Black Diamond, comparison cities, and King County, as shown in Exhibit 16. The median household income in Black Diamond in 2011 was 32% higher than that of King County. By 2021, Black Diamond's median income reached $118,140, which is still 11% higher than that of King County. Higher incomes relative to the county might mean additional discretionary income households may choose to spend on entertainment, restaurants, shopping, and experiences, which will drive the types of future economic development that could take hold in Black Diamond.

Exhibit 16. Median Household Income and Average Annual Growth Rate (AAGR), Black Diamond, Comparison Cities, and King County, 2011-2021

	2011	2021
Black Diamond	**$93,005**	**$118,140**
Enumclaw	$56,391	$91,855
Maple Valley	$98,264	$125,092
North Bend	$85,511	$123,287
Covington	$90,285	$114,247
King County	$70,567	$106,326

Source: U.S. Census Bureau, 2007-2011 and 2017-2021, ACS 5-Year Estimates, Tables DP03

The percent of the Black Diamond population reaching below poverty level over a 12-month period rose from 0.3% in 2011 up to 1.5% in 2021, which is still significantly lower than that of King County and comparison cities. This low rate of poverty tracks accordingly with Black Diamond's already relatively high median income in 2011 and declining levels of unemployment.

Exhibit 17. Percent of Population with Income Below Poverty Level in Past 12 Months, Black Diamond, Comparison Cities, and King County, 2011-2021

	2011	2021
Black Diamond	**2.9%**	**0.9%**
Enumclaw	5.3%	3.3%
Maple Valley	3.7%	4.6%
North Bend	3.6%	2.4%
Covington	3.6%	2.3%
King County	4.9%	3.2%

Source: U.S. Census Bureau, 2007-2011 and 2017-2021, ACS 5-Year Estimates, Tables DP03

Land Demand

Overview

ECOnorthwest used the PSRC/King County growth targets as allocated to cities to analyze growth patterns in Black Diamond, and to estimate demand for built space (in sq ft of floor area) and land (in acres). The land need estimates used do not make a distinction between greenfield development and redevelopment.

We started the analysis by reviewing research by ECOnorthwest and other organizations on employment density.[5] A key theme throughout studies on employment density is the amount of variability that exists within industries, plan designations, or zoning districts. For example, a commercial zone may have employment densities ranging from 0.5 employees per acre for a mini-storage facility to densities over 50 employees per acre for multi-story office buildings. Space per employee tends to show less variability than employees per acre. As a result, most studies use averages which turn out to be an acceptable proxy for larger geographic areas (i.e., they provide reasonable estimates).

Land Demand Methodology

The demand for land is a derived demand. It derives from a demand for built space, which itself derives from demand for shelter to accommodate human activities (productive and social). An implication is that the demand for buildable *land* is, in part, influenced by the supply of built *space*. Thus, a land needs assessment should look not only at land, but at built space.

The most simple and aggregate model of demand is more people in a region (e.g., residents and workers) create more demand for built space. This in turn creates a derived demand for land (a place to

[5] ECO conducted similar reviews for Piece and Clark Counties as part of the 2019 Buildable Land Report updates.

put the buildings). The aggregate demand model gets more complicated and disaggregated if one considers factors that affect demand for built space.[6]

Several related measures are commonly used in evaluating demand for land and built space. These measures define the arithmetic relationships between building size, floor area, and land area. By definition, employment density is the ratio of labor to land. Several measures of employment density exist: FARs, EPAs, and sq. ft. per employee. To understand the relationship between Floor Area Ratios, square feet per employee, and employee per acre ratios, we start with definitions.[7]

- Floor Area Ratio (FAR). The Floor Area Ratio is the total building square footage (building area) divided by the site size square footage (site area)
- Square Feet Per Employee (SF/Emp). The total square feet required for employees. This includes shared spaces such as lobbies, hallways, elevators and stairwells, restrooms, and other built space.
- Employee per acre ratio (EPA). The total number of employees divided by the size of the site. Implicitly, this is a *net* density figure; it does not include land needed for streets and other public uses.

Land Use Model: King County Growth Capacity Assumptions

This land use model builds off assumptions used in the 2021 King County Growth Capacity Report. The 2021 report estimated the overall actual square feet per employee in Black Diamond was 762 and the average FAR was 0.6. Analysis in Appendix A of that report shows Black Diamond averaged 861 square feet per employee for non-industrial jobs and that the industrial employment density is too small of a sample size to report.

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[6] Moore and Waddell identified a number of factors that should be considered in a disaggregated demand model. Following are some of the more important factors:

- Product differentiation. There are many types of real estate products (i.e., housing, retail, industrial, etc.). Each of these products has a different demand function.
- Market segmentation. Consumers have different characteristics which causes them to have different preferences for real estate products and land, constrained by demand and financial intermediation lending practices such as changing interest rates.
- Location. The characteristics of a parcel may affect what gets built, but the characteristics of the neighborhood and larger sub-area contribute to value and demand. Location makes a difference.
- Individual preferences and constraints. Urban markets are composed of tens of thousands of individual decisionmakers who have different preferences for real estate products.
- Sub-markets. The variability of products, consumers, and locations creates sub-markets that are more or less substitutable.
- Durability of real estate products. Buildings can last 50 years or more, the long-life of buildings means mobility and filtering must be taken into account when forecasting demand.
- Public policy. Policy affects market demand and supply relationships.
- Demand and supply interaction. What people often refer to as "historical demand"" is, technically, the intersection of demand and supply factors at some price.

[7] There is a simple mathematical relationship between the three measures (FAR, SF/Emp, and EPA):

- FAR can be derived from EPA and SF/Emp: (EPA*43560)/SF per Emp
- SF/Emp can be derived from EPA and FAR: (FAR*43560)/EPA
- EPA can be derived from SF and FAR: (FAR*43560)/SF per Emp

Appendix D of the Growth Capacity Report presents recommended assumptions for South Market Area cities in commercial and mixed-use zones (300-600 sf/emp) and industrial zones (700-1,200 sf/emp).

Growth Capacity Modeling for Black Diamond used assumptions of 575 square feet per employee for commercial uses and made no assumption for industrial uses as the city does not have any industrial land capacity. For modeling purposes, we used the following assumptions:

Commercial: 575 sf/emp
Industrial: 900 sf/emp

The 2021 King County Growth Capacity Report did not use EPA assumptions, so ECOnorthwest used assumptions from Pierce and Clark County. Both Counties assumed 11 employees per acre for industrial uses and 22 employees per acre for commercial uses.

Exhibit 18 shows actual (2018) and projected (2044) employment by study area for 2018 and 2044 and the growth increment in number of employees and percent change. The results show Black Diamond is projected to add 721 new employees during the period. The employment projections provide the basis for estimating built space and acres.

Exhibit 18. Actual (2018) and Projected (2044) Employment, 2018-2044

Sector	2018	2044	% Change	2018 - 2044
Commercial	683	1,364	100%	681
Industrial	27	67	148%	40
Total	**710**	**1,431**	**102%**	**721**

Source: PSRC LUV-it City Forecasts and allocations; Analysis by ECOnorthwest

Exhibit 19 shows the results of the land use modeling for built space and land demand. The output shows Black Diamond will need approximately 430,000 square feet of new built space on 35 acres to accommodate new employment between 2018 and 2044.

Exhibit 19. Built Space and Land Demand, Black Diamond, 2018-2044

Sector	Built Space (SF)	Acres
Commercial	391,575	31
Industrial	36,000	4
Total	**427,575**	**35**

Source: Analysis by ECOnorthwest

Conclusions

Black Diamond has a current land supply of 104.6 of buildable acres according to the King County Urban Growth Capacity Report. With a projected need of 35 acres, Black Diamond has enough capacity to accommodate its employment projections from the PSRC Land Use Vision – Implemented Targets (LUV-it). Black Diamond has surplus buildable land and a growing population. This presents an opportunity to expand the range of employment and business offerings within the city. The additional space enables business growth that can help meet demand for goods and services from new and existing residents. By utilizing available land to attract diverse jobs and economic activity, Black Diamond can foster a more dynamic local economy. This will help expand the City's tax base to improve local services and infrastructure that can accommodate the growing community.

PROJECT MEMO

AHBL

TO:	Mona Davis	**DATE:**	March 5, 2024
FROM:	Nicole Stickney Seattle - (206) 267-2425	**PROJECT NO.:**	2220914.30
		PROJECT NAME:	Black Diamond 2024 Comp Plan Update
SUBJECT:	Task 3 – Housing Element Draft Update		

As a part of Task 3: Draft Comprehensive Plan Update, we have produced a draft Housing Element for the Comprehensive Plan update, following guidance and requirements from the Growth Management Act (GMA), the Department of Commerce (Commerce), the Puget Sound Regional Council (PSRC), and the King County Countywide Planning Policies (CPPs), as amended.

Edits have also been made in consideration of the city's history, goals, recent developments, and recommendations. This includes information from the Housing Action Plan (HAP) and the accompanying Housing Needs Assessment (HNA) as adopted by Council in 2021. In addition, we used feedback gained from the various public meetings that have been held to date, and feedback from the City's survey, to generate suggested changes.

We are providing this initial draft for review and consideration by the Planning Commission. We recommend that the Planning Commission be provided this memo together the with draft (labeled "DRAFT 3/5/2024 FOR INITIAL PLANNING COMMISSION REVIEW") for their March 2024 meeting. We also request that feedback from the Planning Commission members be routed back within 2 to 3 weeks following the meeting.

Later, City staff should also provide a draft to Isaac Horwith who supports the King County Affordable Housing Committee, specifically the "Housing-focused Draft Comprehensive Plan Review Program," which was established as part of the King County Countywide Planning Policies (CPPs). Isaac has contacted the city requesting a draft and explained that at a high level, the committee's goal is to review each jurisdiction's draft comprehensive plan for alignment with the CPP Housing Chapter goals and policies prior to plan adoption; his group will conduct a review and provide comments.

GMA Changes

The GMA requirements that set out what must be included in a Housing Element have dramatically changed since the city last performed a periodic update to its plan. Looking back to 2017, RCW 36.70A.070(2) then stated:

> *A housing element ensuring the vitality and character of established residential neighborhoods that:*
> *(a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth;*
> *(b) includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences;*
> *(c) identifies sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; and*
> *(d) makes adequate provisions for existing and projected needs of all economic segments of the community.*

As you read through the updated draft Element we have prepared, you will see (under the heading "GMA Mandates") that these requirements have all been ***significantly expanded***.

New Washington State Housing Legislation

A lot of new legislation addressing the housing crisis (which is a big problem at the regional level and is also occurring nationwide) came out of the 2022-2023 session. There is a lot of work to be done in response to the new legislation passed into law in our State. Some changes need to be made to the city's Comprehensive Plan (in particular the Housing Element) while other changes will need to be made to the city's development codes or

SEPA regulations. AHBL is supporting the City in these efforts in many ways, and the edits we've prepared to the Housing Element are a start. A schedule for the "missing middle housing" work was presented to the Planning Commission in February.

Consistent with our approach to providing preliminary drafts of other Elements, we have shown tracked changes for the Goals / Policy portions only. **The following list summarizes the updates or changes we made preparing the document:**

- Re-organized or re-configured many sections to eliminate redundancy and improve readability.
- Incorporated language from the former "Housing Appendix" (plus HNA information) into the Housing Element to provide a more cohesive discussion and potentially improve the way the goals and policies are presented and understood within the context of Black Diamond's unique history.
- Updated language expanding on previous analysis and discussion, and to help with clarity and flow, including grammar and spelling edits. Updated data values throughout the chapter.
- Under the "Introduction" heading, the general GMA requirements for the Housing Element are set out and we have updated the information to reflect recent State legislation requiring cities to provide adequate areas for middle housing and affordable housing, among other requirements.
- Added additional information to generally characterize some of the feelings we have heard expressed by long-term residents regarding city planning efforts.
- Added data and discussion about potential racially disparate impacts (RDIs), which are new themes in the GMA, and now listed as requirements to include in the checklists produced by Commerce and by the PSRC, and are identified in the updated King County CPPs.
- Added information regarding the Ten Trails and Lawson Hills Master Planned Developments.
- Added a discussion and details under "Expanding Housing Options"; many of these items will need to be coordinated with our updates to the zoning regulations (for example, presently Group Homes, "Elderly Housing" can only locate in the MDR-8 zone with a Conditional Use Permit and so that will need to be reviewed for amendments and likewise Adult Family Homes appears to need to be added). The statement about preserving manufactured home communities aligns with CPP H-21.
- Added several figures to give more visual insight on household data.
- Enhanced the discussion regarding household size to further understand the local and national trends of smaller households and increased multigenerational living as well. Housing tenure and vacancy rates language has been updated to include more information on homeownership becoming increasingly unattainable as median home prices have risen.
- Updated the housing targets, forecasts, and capacity language for 2044 projections as well as included King County CPP forecasts for additional housing units.
- Added a section addressing the "Cost Burden" measure; we largely reference the HAP for more detail on cost-burdened households in Black Diamond and several tables and figures include information from the HAP comparing stats among renters and owners in Black Diamond and King County by race. Newly added figures illustrate the available data on cost-burdened households, separated by renter/owner and race/ethnicity. The section "Property Tax Exemptions or Deferrals" is adapted from the HAP Action 2.2 Again, this helps Black Diamond meet the requirements to identify potential RDIs.

Overview of proposed changes to Housing Goals and Policies (see the document for specific edits):

1. We have relocated all the goals and policies to the end of the Element while removing redundant, conflicting, or irrelevant goals and policies. In this way, they are presented together, as a whole. We've also changed the numbering (although that has not been shown with "cracked changes.")

2. Under H Goal 1, a new Policy H1-1 is proposed to protect local character. Additionally, the subsequent polices are renumbered and some language is proposed to be updated for clarity.

3. Policy H1-2 now specifically lists out moderate density housing types, including but not limited to duplexes, triplexes, and townhomes. This meets one of the requirements in Commerce's updated housing checklist.

4. Proposed new Policy H1-12 is based on the requirements (as provided in Commerce's updated housing checklist) to encourage the construction of ADUs as a viable option to meet housing needs.

5. Proposed new Policy H1-13 is from Countywide Policy # H-22 (copied verbatim).

6. For H Goal 2 we suggest adding additional language: "promote equitable access to housing."

7. Policy H2-1 is adjusted to address "extremely low, very low-, low-, and moderate income households" as that is the nomenclature now used.

8. Proposed new policies will help to meet Commerce and PSRC requirements and/ or implement HAP actions (specifically HAP actions 2.2 and 3.3).

9. A new H Goal 4 is proposed to be added to "Prevent neighborhood degradation and promote community safety." New Policies H-27 through H-35 are proposed for addition, encouraging existing housing upgrades, positive neighborhood development, and other concepts that align with the new Goal 4.

Finally, please see the attached list of draft definitions we propose to include in a Glossary.

NS/ee

c: Scott Hanis, Andy Williamson – City of Black Diamond
Wayne Carlson, Andrew Love, Elizabeth Espinosa – AHBL

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ATTACHMENT

Selected terms for the Draft Glossary:

◂ Denotes the definition is from the 2021 King County Countywide Planning Policies (amended 2022 via Ord. 19553

Affordable Housing: Housing that is affordable at 30 percent or less of a household's monthly income. This is a general term that may include housing affordable to a wide range of income levels and includes income-restricted and non-income units. ◂

Affordable Housing Committee: A committee of the King County Growth Management Planning Council chartered to recommend actions and assess regional progress to advance affordable housing solutions and function as a point of coordination and accountability for affordable housing efforts across King County. ◂

Area Median Income: The annual household income for the U.S. Department of Housing and Urban Development calculates median income for each metropolitan region. These are used to determine income limits for government affordable housing programs. ◂

Cost Burden: When a household spends more than 30 percent of their gross monthly income on housing costs. ◂

Cottage Housing: Detached bungalow scale houses clustered around a common open space and/or private spaces aggregated together in a "commons" arrangement.

Displacement: The involuntary relocation of current residents or businesses from their current residence. This is a different phenomenon than when property owners voluntarily sell their interests to capture an increase in value. Physical displacement is the result of eviction, acquisition, rehabilitation, or demolition of property, or the expiration of covenants on rent- or income-restricted housing. Economic displacement occurs when residents and businesses can no longer afford escalating housing costs. Cultural displacement occurs when people choose to move because their neighbors and culturally related businesses have left the area. ◂

Extremely Low-Income Households: Households earning 30 percent of the area median income or less for their household size. ◂

Fair Housing: Fair Housing is the ability for all people to choose where they live without discrimination based on race, color, national origin, sex, family status, or disability—these are the "protected classes" under state and federal law. (Washington State also protects age, sexual orientation, or having a Section 8 voucher). Cities may not make zoning or land use decisions or implement policies that exclude or otherwise discriminate against protected persons, including individuals with disabilities.

Growth Targets: The number of residents, housing, or jobs that a jurisdiction is expected to use as the land use assumption in its comprehensive plan. Growth targets are set by countywide planning groups for counties and cities to meet the Growth Management Act requirement to allocate urban growth that is projected for the succeeding twenty-year period (RCW 36.70A.110). Countywide growth targets are articulated in the Development Patterns chapter. ◂

High-Density Housing: Multifamily housing of a certain density that is considered to be more intensive than moderate-density housing. This designation includes housing types of 20 or more units. ◂

Historically Underserved Communities: Groups of people living in places that have experienced a long-term pattern of lacking investment in public services and amenities relative to neighboring communities or an expected standard. ◂

Housing Affordability: Refers to the balance (or imbalance) between incomes and housing costs within a community or region. A common measurement compares the number of households in certain income categories to the number of units in the market that are affordable at 30 percent of gross income. ◀

Inclusionary Zoning: Inclusionary zoning stipulates that new residential development in certain zones includes some proportion or number of affordable housing units or meets some type of alternative compliance. Inclusionary zoning taps into economic gains from rising real estate values to create affordable housing for lower-income households. This mandatory approach can create more affordable housing in neighborhoods with access to transportation and quality jobs. ◀

Infill: Urban infill is defined as new development that is sited on vacant or undeveloped land within an existing community, and that is enclosed by other types of development. The term “urban infill” itself implies that existing land is mostly built-out and what is being built is in effect “filling in” the gaps. The term most commonly refers to building residential homes in existing neighborhoods but may also be used to describe new development in commercial, office or mixed-use areas.

Low-Income Households: Households earning between 51 percent and 80 percent of the Area Median Income for their household size. ◀

Mixed-Use Development: A building or buildings constructed as a single project which contains more than one use, typically including housing plus retail and/or office uses. ◀

Manufactured Home: A type of prefabricated housing that is largely assembled in factories and then transported to sites of use. Manufactured homes are built as dwelling units of at least 320 square feet in size with a permanent chassis to assure the initial and continued transportability of the home. The requirement to have a wheeled chassis permanently attached differentiates “manufactured housing” from other types of prefabricated homes, such as modular homes.

Moderate-Density Housing: Housing of a certain density that bridges a gap between single-family housing and more intense multifamily and commercial areas and provides opportunities for housing types that are inclusive to people of different ages, life stages, and incomes. Moderate-density housing includes but is not limited to duplexes, townhomes, and low-rise apartments and range in unit count from 1-unit attached up to 19 units. ◀

Moderate-Income Households: Households earning between 81 percent and 120 percent of the Area Median Income for their household size. ◀

Populations Disproportionately Impacted by Housing Cost Burden: When a household spends more than 30 percent of their income on their housing, they are considered cost burdened. Black, Indigenous, and Latinx households, as well as many immigrant and refugee households, are disproportionately represented both among households earning less than 80 percent of AMI as well as among cost burdened households, in part due to the legacy of structural racism and discrimination in housing and land use policies and practices. Households earning at or below 30 percent are also more disproportionately impacted by housing cost burden than higher income households. ◀

Single Family Detached Unit: A building containing one residence which is not attached to any other dwelling by any means except fences has a permanent foundation and is surrounded by open space or yards.

Special Needs Housing: Housing arrangements for populations with special physical or other needs. These populations include the elderly, disabled persons, people with medical conditions, homeless individuals and families, and displaced people. ◀

Subsidized housing: Subsidized housing lowers overall housing costs for people who live in it. Public housing, rental assistance vouchers like Section 8, and developments that use Low-Income Housing Tax Credits are examples of subsidized housing.

Tenure: The legal status by which people have the right to occupy their accommodation. Common housing tenure are renting (which includes public and private rented housing) and homeownership (which includes owned outright and mortgaged).

Very Low-Income Households: Households earning between 30 to 50 percent of the Area Median Income for their household size.

VISION 2050: The integrated, long-range vision for managing growth and maintaining a healthy region—including the counties of King, Kitsap, Pierce, and Snohomish. It contains an environmental framework a numeric Regional Growth Strategy, the Multicounty Policies, and implementation actions and measures to monitor progress.

Workforce Housing: Housing that is affordable to households with one or more workers. Creating workforce housing in a jurisdiction implies consideration of the wide range of income levels that characterize working households, from one person working at minimum wage to two or more workers earning the average county wage or above. There is a particular need for workforce housing that is reasonably close to regional and sub-regional job centers and/or easily accessible by public transportation.

CHAPTER 6. HOUSING

6.1 Introduction

HOUSING VISION GOAL:

Make housing available to all economic and social segments of the community.

Quality housing and vibrant neighborhoods are vital components of Black Diamond. This Housing Element is the City's policy guide to ensure there are adequate provisions to allow adequate housing for everyone across the economic and social spectrum, consistent with the character of our community. It provides information describing the inventory and analysis of housing and forecasts future demands as well as implementation strategies for achieving housing goals.

Although the City is not directly responsible for the development of housing and there are many external forces involved in the housing market, it is important to ensure the right policies and systems are in place locally to facilitate positive outcomes. In addition, it is important to identify the important work of partners in the region that provide direct or indirect support meeting the housing needs of people in Black Diamond.

Decent, safe, and reasonably priced housing is a basic human need, and ensuring that present and future Black Diamond residents have a wide range of choices and options is an important part of planning for the future. Having broad housing choices helps to sustain economic vitality and fosters job creation, as employers may find it difficult to recruit and retain employees in locations lacking housing options which are not cost-prohibitive. Limited housing options may also result in long commute times for professionals that are important to the community but may have comparatively lower incomes or household budgets for housing costs (including but not limited to teachers, police officers, firefighters, other municipal employees, and service employees). This occurs when people who work in town must live elsewhere to obtain the housing they desire at an affordable or attainable cost.

As discussed in this Element, over 80% of Black Diamond's housing stock consists of single-family detached structures, and there are few units available for low-income earners or those with special needs. Looking forward, the City is expecting robust growth over the next decade. At full build-out, the two approved Master Planned Developments (MDPs), Lawson Hills and Ten Trails, are expected to result in the construction of 6,050 housing units in Black Diamond[1]. These new developments will bring about significant local changes which elevate the importance for the City to periodically monitor the local housing supply, ensuring the housing needs of all people are being met, especially with regard to affordable housing options.

Similarly, some of the changes resulting from rapid neighborhood development have not been fully welcomed by long-term residents of the area. The City will need to continue to grapple with challenges in determining how to retain its livability and character while meeting the housing needs of a growing and changing population.

[1] The MPD agreements expire in 2026 but building will continue past that year according to vested development rights

GMA Mandates

The Growth Management Act (GMA) requires the Housing Element ensure "the vitality and character of established residential neighborhoods." [2] Further, the Housing Element must:

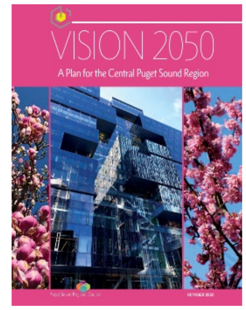
1. Include an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to accommodate projected growth, as provided by the Department of Commerce, including:
    a. Units for moderate, low, very low, and extremely low-income households; and
    b. Emergency housing, emergency shelters, and permanent supportive housing;
2. Include a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences, and moderate density housing options including but not limited duplexes, triplexes, and townhomes;
3. Identify a sufficient capacity of land for housing, including but not limited to government-assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing, and consideration of duplexes, triplexes, and townhomes;
4. Make adequate provisions for existing and projected needs of all economic segments of the community, including:
    a. Incorporating consideration for moderate, low, very low, and extremely low-income households;
    b. Documenting programs and actions needed to foster housing availability including characterizing gaps in local funding, identifying barriers such as development regulations, and determining other limitations;
    c. Ensuring that consideration is given to housing locations in relation to employment locations; and
    d. Ensuring that consideration is given to the role of accessory dwelling units in meeting housing needs;
5. Identify and implement local policies and regulations to address potentially racially disparate impacts, displacement, and exclusion in housing, including: (a.) Zoning that may have a discriminatory effect;(b.) Disinvestment; and (c) Infrastructure availability;
6. Identify and implement policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion of housing caused by local policies, plans, and actions;
7. 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
8. Establish anti-displacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in moderate, low, very low, extremely low-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.

[2] RCW 36.70A.070(2)

Regional and County Requirements

The Puget Sound Regional Council (PSRC) and King County have additional requirements for the Black Diamond Housing Element and so this document references or incorporates information from the following sources and aligns with the goals and policies of them:

- The **PSRC VISION 2050** document is a regional plan which sets out a Regional Growth Strategy, focusing growth in "*centers"* and near transit, and addresses how jurisdictions should work together to increase housing choices and affordability on a regional level. VISION 2050 stresses that strategies and actions to promote distributional equity, cross-generational equity, process equity and reparative policies are needed to equitably meet housing needs.



- The **2021 King County Countywide Planning Policies** (as amended in 2023 via King County Ord. 19660) are policies set forth to "support a range of affordable, accessible, and healthy housing choices for current and future residents." In addition, the policies were developed to "respond to the legacy of discriminatory housing and land use policies and practices (e.g. redlining, racially restrictive covenants, exclusionary zoning, etc.) that have led to significant racial and economic disparities in access to housing and neighborhoods of choice. These disparities affect equitable access to well-funded schools, healthy environments, open space, and employment." There are 25 housing policies, many of which are very detailed, organized around five primary themes:

  1- Plan for and Accommodate Housing Needs
  2 - Conduct a Housing Inventory and Analysis
  3 - Collaborate Regionally
  4 - Implement Policies and Strategies to Meeting Housing Needs Equitably
  5 - Expand Housing and Neighborhood Choices for all Residents

King County

Organization of this Element

Sections 6.2 and 6.3 of this Housing Element summarize the existing conditions, analysis, and description of the City's projected housing needs for the 20-year planning period.

In addition to the information presented in this Housing Element, the following documents are also important:

- City of Black Diamond Housing Action Plan, June 2021[3]
- City of Black Diamond Housing Needs Assessment, November 2020 (incorporated into the HAP at Appendix C)

[3] Adopted in June 2021 by the Black Diamond City Council by Resolution No. 21-1426 (Blueline Group)

These documents provide further information about the current and future housing inventory in the city by market demand, community needs, income level and affordability measures, housing type, function, and location. All of this information supports the Goals and Policies in Section 6.4, located at the end of this Element.

Data Limitations

This Housing Element is distinct and markedly different from previous versions adopted by the City in many respects. A chief distinction is the new requirement to assemble housing affordability data and statistics about the City. There are several challenges that arise in assembling and presenting this data:

- First, the City's small size means that many data sources are limited or simply not available. For example, although the Washington Center for Real Estate Research (WCRER) in RCW 36.70A.610 was directed to provide data resources to jurisdictions to address housing issues, most of the data collection and compilation is limited to cities having a population greater than 10,000 persons and so Black Diamond is excluded. Likewise, when specific attributes of small population groups in the city are to be considered in order to serve as indicators (for example, *to what extent do the rates of severely-cost burdened households differ according to race?*) the smaller percentages or share of percentages may not be statistically significant.
- Next, the City is quickly changing due to its rapid growth and the changes are substantial changing the local demographic composition of the population. As a result, it is a challenge to assess what changes and trends are temporary verses what will be sustained.
- Some data is sourced from different years or may differ in how terms (data attributes) are defined.

6.2 Existing Conditions

It is important for the city to take account of the existing housing stock (the residential units which has been constructed in the city) as well as the household characteristics of those who live in Black Diamond. As identified in this section, there has been a swift shift in Black Diamond with respect to housing due to the Ten Trails development (one of the city's two Master Planned Developments), ever since the summer of 2018 when the first home was completed. The build-out of the MPDs impacts the housing stock and the household characteristics, and will continue to influence the data presented here as "existing conditions."

Housing Stock

Documenting and considering existing housing conditions such as type and structure, age of the housing unit, vacancy rates, home values, occupancy, tenure, persons per household, and land capacity provides a baseline picture of housing supply conditions in Black Diamond.

Housing Unit Counts

The City of Black Diamond has seen substantial growth in residential development in recent years, as shown in **Figure 6-1**. The left portion of the figure shows values according to five-year increments between 2000 and 2020, while the right portion of the figure shows the years 2021, 2022, and 2023 which are years where significant changes have occurred. Since 2020, the city has seen substantial increases in housing production of homes in the single-family residential category as well as the multi-family category (which barely increased in the preceding twenty-year period[4]). The Washington State Office of Financial Management (OFM) estimates Black Diamond had 2,671 housing units as of April 1, 2023.

Housing Types

Black Diamond's housing supply is mostly composed of single-family residential structures. Based on the data from the OFM Postcensal Estimate of Housing Units (2023), approximately 82.4% of the of the City's housing supply is single family structures compared to 51.2% in King County and 62.1% across the State.

The United States Census Bureau's American Community Survey (ACS) 5-Year Estimates data indicate a substantial increase in the average size of the housing structures, with the percentage of homes having nine or more rooms jumping from 18.3% in 2015 to 33.8% in 2022. The proportion of larger homes is much higher in Black Diamond as compared to county and state averages. Furthermore, the data suggest that Black Diamond lacks options for smaller households, as there is a disproportionately smaller share of homes featuring fewer than five rooms as compared to King County and the state.

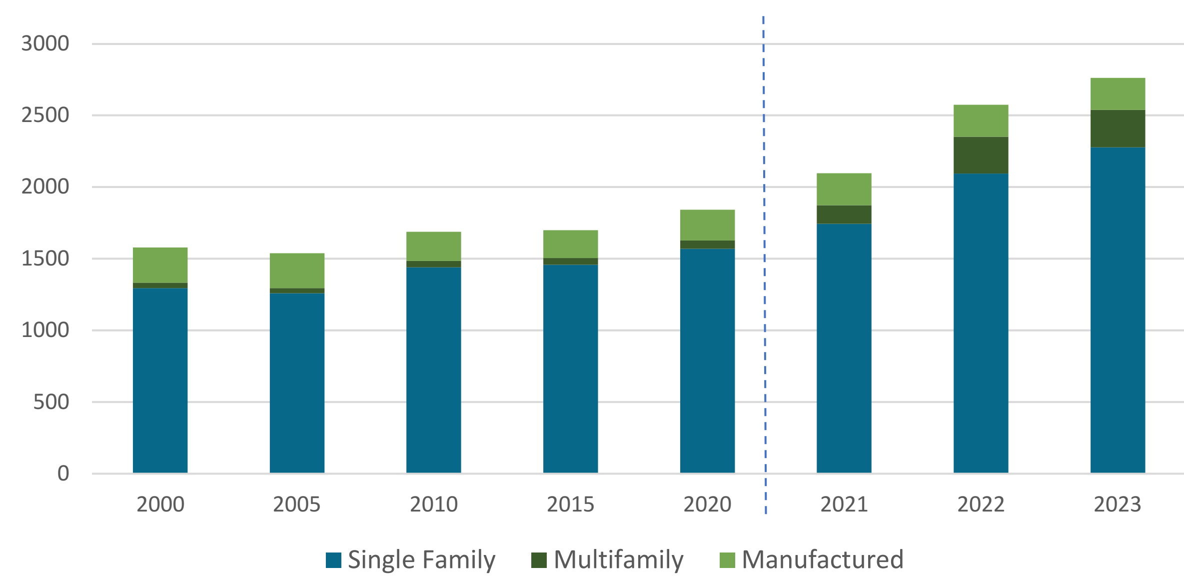


Figure 6-1: Total Housing Units[5] in Black Diamond, 2000-2020 and 2021, 2022, and 2023

Figure 6-2 shows the percentage of three categories of housing types (single-family, multi-family and manufactured) in the City for the years 2015 and 2023. As seen in the graphic, there have been

[4] A slow trend of housing construction for some of the time period may have been due to a development moratorium in Black Diamond from 1999 to 2009

[5] Source: The Office of Financial Management; OFM data reports the number of units per structure; OFM counts any attached units as "multifamily"

significant gains in recent years in the proportion of homes which are considered multi-family housing, and this trend is expected to continue. In fact, the MPDs will add around 1,520 multifamily units (according to the HAP).

There are two manufactured home communities in the City: the Cedarbrook Manufactured Home Community (120+ home sites), the Rainier View Home Community (age-restricted 55+ community with 31 home sites owned and managed by the King County Housing Authority). Per state law, the city's zoning code must not prohibit Recreational Vehicles (RVs) from also being located in the parks; instead, it is up to the owner / operators of the properties to determine if RVs can be included.

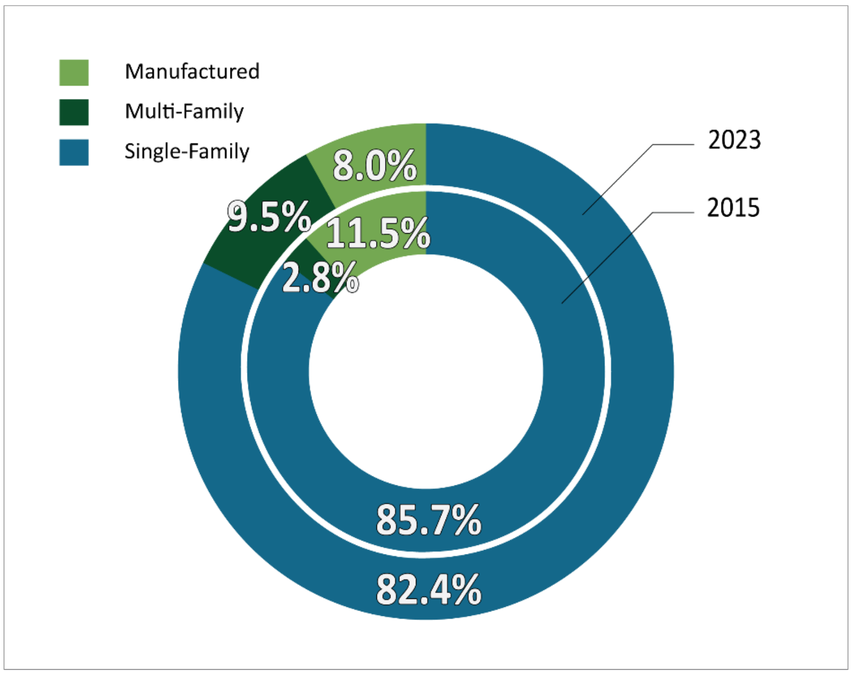


Figure 6-2: Housing Types in Black Diamond in 2015 and 2023

Source: OFM Postcensal Estimates of Housing Units, April 1, 2015 and April 1, 2023

Housing Stock Age

Structure age is one indicator of the quality and condition of a community's housing stock. While older housing units can contribute positively to the character of a community and may result in broad choices for housing types and costs, there can be trade-offs. That is, older homes may be of lower quality because of wear (if not routinely upgraded), they could contain contaminants or hazards (i.e., lead-based paints, volatile organic compounds like asbestos, mold caused by leaking windows), and may feature outdated building materials assembled with outdated construction practices. Further, newer homes typically are more energy efficient and are often built with more modern methods.

Higher numbers of homes built in shorter periods demonstrate rapid rates of development. The data summarized in **Figure 6-3** demonstrate that the city experienced rapid growth in the period from 1960 to 1999, which is consistent with state-wide trends. This resulted in approximately half of the city's housing stock being built during those years.

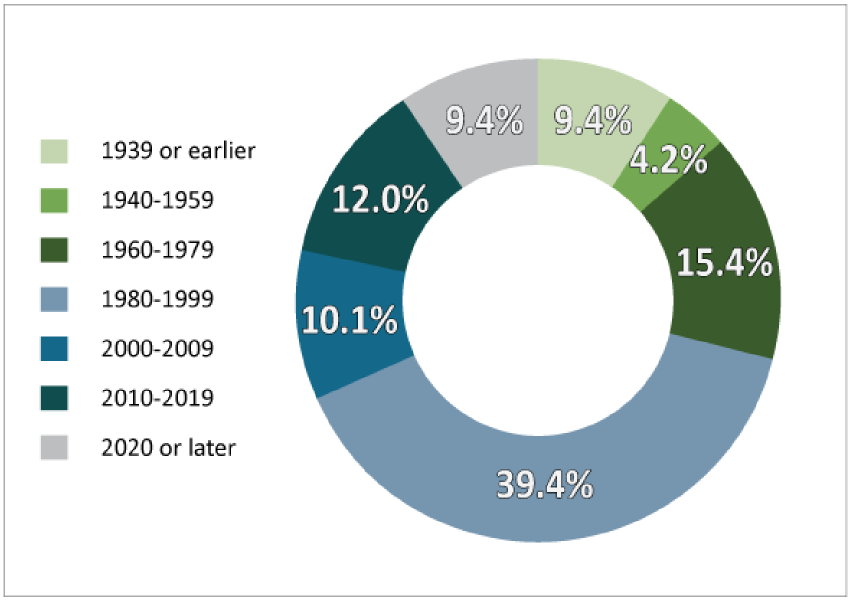


Figure 6-3: Estimated Percentage of Occupied Housing by Structure Age
Source: ACS 5-Year Estimates, S2504, Physical Characteristics for Occupied Housing Units, 2022

Housing in Black Diamond mostly consists of single-family dwellings and was developed gradually throughout the 20th century. The oldest housing stock was built prior to the 1940s and now comprises less than 10% of the homes in the City. The houses built during this period in Downtown and Morganville help shape the historic character of Black Diamond. Currently, the largest portion of Black Diamond's housing stock was constructed in the 1980s and 1990s.

When reviewing **Figure 6-3** it's important to recognize that the US Census American Consumer Survey (ACS) data for housing age presented dates back to the year 2021, yet significant development in the Ten Trails MPD has occurred in 2022 and 2023. With the development of Ten Trails and Lawson Hills, the percent of newer homes in Black Diamond has increased.

These proportions are expected to shift even more in the coming decade as buildout of two large Master Planned Developments (MPDs) progresses. Between the two developments over 6,000 new units are expected, outpacing the production of housing units from previous decades.

Housing Values

Black Diamond has seen a dramatic increase in home values since the last decade, with estimated median home values growing by roughly 134% between 2010 and 2022. By 2022, over 97% of all owner-occupied homes in Black Diamond were valued greater than or equal to $300,000, compared to only 54.6% in 2010. **Table 6-1** presents the estimate value of homes in owner-occupied homes by value ranges (and the values shown are not inflation-adjusted).

Table 6-1: Estimated Home Values of Owner-Occupied Units in Black Diamond

	2010		2022	
	Total #	Percentage	Total #	Percentage
Less than $50,000	31	2.3%	0	0.0%
$50,000-$99,999	0	0.0%	0	0.0%
$100,000 to $149,999	27	2.0%	9	0.5%
$150,000 to $199,999	44	3.2%	0	0.0%
$200,000 to $299,999	520	38.0%	42	2.3%
$300,000 to $499,999	415	30.3%	366	20.4%
$500,000 to $999,999	287	21.0%	995	53.4%
$1,000,000 or more	45	3.3%	418	23.4%
Median Home Value	***$319,700***		***$746,900***	

Source: ACS 5-Year Estimates, DP04, Selected Housing Characteristics, 2010 and 2022

There have been inflation impacts since the 2008 financial crisis that should be accounted for, with inflationary impacts since every year with the exception of the year 2020 when COVID slowed the economy. To use a benchmark value, $300,000 in 2010 would be the equivalent of about $403,000 in 2022, the years the Table 6-1 values are based upon. The total rate of inflation between 2010 and 2022 was 34.2%, but the median home price increased by roughly 134%, from $319,700 in 2010 to $746,900 in 2022. While it is clear that home values in Black Diamond are increasing, and that is occurring at a much faster rate than inflation, it is important to remember that a major contributing factor to the local increase in the median home price is the build-out of new homes at a price point which is higher than what has been previously available in Black Diamond.

The HAP, which was prepared with data that was assembled before MPD units were becoming available in the marketplace, provides data which appear to indicate that the median home price in Black Diamond had consistently been lower than that of King County, and both had increased at similar rates over the last two decades that were contemplated.

The County Wide Planning Policies[6] assessed the 2019 "baseline supply" of housing, looking at the distribution of the 1,842 housing units in Black Diamond according to income groups at that time, and that data is presented in **Table 6-2**:

[6] CPP at Appendix 4, Table H-2

Table 6-2: Black Diamond Housing Unit Supply by Area Median Income Groups

Area Median Income Group	"Baseline" Number of Housing Units Supplied (2019)
0 to ≤30% AMI; Non- Permanent Supportive Housing	81
0 to ≤30% AMI; Permanent Supportive Housing	0
>30 to≤50% AMI	242
>50 to≤80% AMI	231
>80 to≤100% AMI	361
>100 to ≤120% AMI	327
>120% AMI	600

Household Characteristics and Trends

The 2020 census reports 1,729 households in Black Diamond, an increase from 1,546 in 2010. As discussed elsewhere, construction of the MPDs will accelerate this rate of growth in the coming decade.

Black Diamond household sizes have shrunk each decade; the average number people per household in 2010 was 2.68 persons but decreased to 2.61 persons by 2020. Slowed population growth and smaller household sizes can also be observed nationwide, and the effects of this change may be far-ranging. According to the Pew Research Center, nationwide trends indicate that people are waiting longer to have children, and more people are choosing to live in metropolitan areas as opposed to rural areas. Multigenerational living (where multiple generations of adults live together) is also increasingly common. Many of these trends may be related to housing affordability and cost of living issues, and they may correlate to a need for more affordable and attainable housing options.

Who lives in Black Diamond?

The following data presented in **Table 6-3** help to illustrate the characteristics of households in the City. According to the US Census Bureau the Median Household Income of Black Diamond was $118,140 in 2021[7]. This median household income is approximately 20 percent higher than the $97,675 median household income of Seattle-Tacoma-Bellevue Metro Area.

[7] U.S. Census Bureau QuickFacts: Black Diamond city, Washington and Black Diamond, WA - Profile data - Census Reporter

Table 6-3: Black Diamond and King County Households (2022 Estimates)

		Black Diamond	King County
Household Income	Median	$134,076	$116,340
	Mean (average)	$156,611	$161,206
Household Size	One-person	21.5%	32.9%
	Two-person	34.9%	34.5%
	Three-person	22.0%	14.4%
	Four-or-more-person	21.5%	19.1%
Household types	Family households (one or more related or married persons)	72.3%	58.6%
	Multiple person households with no children	6.2%	10.9%
	Single-person households	21.5%	30.5%
Presence of children in households	No related children under 18 years of age	66.0%	72.5%
	With related children under 18 years of age	34.0%	27.5%

Black Diamond has a high proportion of children, with 24.4% of the total population aged under eighteen years old (compared with 19.8% in King County). The median age is 40 years of age (compared with 37.2 in King County). This appears to indicate that Black Diamond has more families living in the community rather than single or individual households, as compared to King County averages.

The census data also reveals:

- Approximately **10.6%** of Black Diamond residents aged over 18 are **veterans**
- Approximately **9.5%** of all Black Diamond residents are **foreign born**
- Approximately **10.9%** of all Black Diamond residents **have a disability**

Vacancy Rates and Housing Tenure

Structural vacancy rates are driven by the supply and demand of housing in a given market. Supply and demand are most affected by the cost of the housing and the income of prospective owners and tenants. Housing tenure (own vs. rent) is another indicator of supply and demand. For example, if the area has a greater level of vacancies in units (owner-occupied and/or renter-occupied) and the vacancy rates remain elevated for a prolonged period, the area may contain an oversupply of housing units as compared with local demand.

Looking at housing tenure trends can also provide insight into the economic demographics of a community, as home ownership can typically be associated with prosperity and financial stability. It may also indicate a level of housing inaccessibility in a community.

According to the Pew Research Center (2022), homeownership across the nation has become increasingly unattainable as median home prices have risen in recent years, and the number of home listings has dropped. Lending rates for home mortgages is yet another factor that has not been favorable to prospective homeowners in recent years.

Black Diamond, King County, and Washington State all have a higher proportion owner-occupied housing units than renter-occupied units. In 2022, 86.4% of the City's population lived in owner-occupied homes (compared to 55.6% of the County-wide population and to 64.2% of the State-side population). Moreover, of the owner-occupied units in the city, 74.4% of the units have a mortgage and the remaining (25.64%) do not carry a mortgage.

In comparing the proportions in King County and Washington State, Black Diamond has a remarkably low share of renters. **Table 6-4** shows the breakdown of housing tenure for the years 2010 and 2022.

Table 6-4: Housing Tenure Estimates

	2010		2022	
	Owner-Occupied	Renter-Occupied	Owner-Occupied	Renter-Occupied
Black Diamond	92.8%	7.2%	86.4%	13.6%
King County	59.9%	40.1%	55.6%	44.4%
Washington State	64.8%	35.2%	64.2%	35.8%

Source: ACS 5-Year Estimates, D04, Selected Housing Characteristics, 2010 and 2022

Next, **Figure 6-5** provides the percentage of owners and renters split out according to the race and ethnicity of the householder (for the year 2019). The data demonstrate that households of color and those who are Hispanic or Latino (of any race) are more frequently renters in Black Diamond as compared to white households. We lack sufficient data to ascertain the cause or contributing factors; one of the possible explanations for this outcome could be that a more diverse population is moving to Black Diamond at the same time that the number of multifamily units is increasing. Still, it will be important to monitor for potential racially disparate impacts (RDIs) as Black Diamond grows and to ensure the goals and policies of this plan do not preclude sufficient rental and homeownership opportunities for everyone, regardless of background.

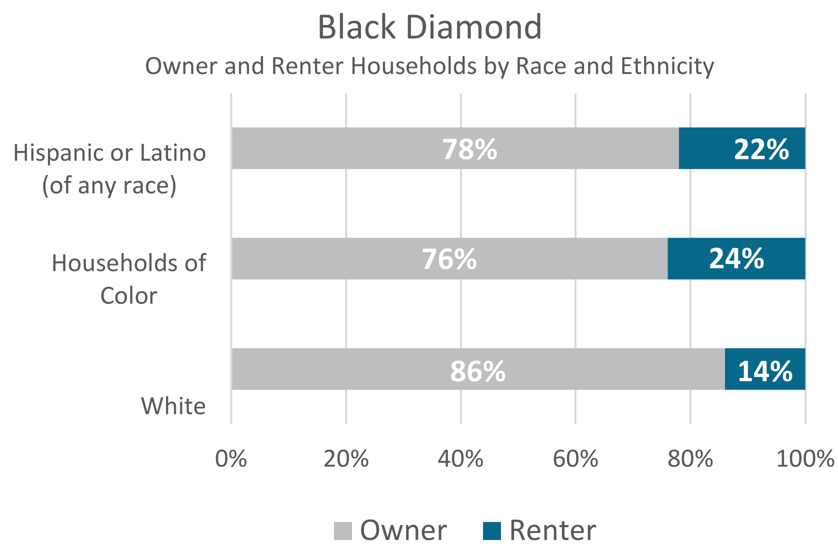


Figure 6-5: Black Diamond Owner and Renter Households by Race and Ethnicity, 2019

Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 9); Washington Department of Commerce, 2023

There are few owner-occupied units in multifamily developments (i.e., condominiums or detached townhomes) in Black Diamond aside from the Diamond Village on Roberts Drive; the proportion of owner-occupied multifamily units will continue to increase with the buildout of the MPDs. Continuing to create broader opportunities for homeownership and increasing the variety of home types for sale may help to make homeownership more accessible.

Equity and Racially Disparate Impacts

CWW H-5 requires the City of Black Diamond to

- 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; and
- Demonstrate how current strategies are addressing impacts of those racially exclusive and discriminatory policies and practices.

The *Racial Restrictive Covenants Project for Washington State* is a project[8] of University of Washington and Eastern Washington University who are identifying and mapping racial restrictions in property

[8] The project is in support of HB 1335, passed by the state legislature in 2021

records which were used in American communities to prevent people who were not white from buying or occupying property. The project has identified such documents covering about 50,000 properties and the work is ongoing. As of February 15, 2024 no such records for properties in the city of Black Diamond have been posted to the project website at https://depts.washington.edu/covenants/ It will be important for city staff to monitor the project and determine if any property records are found.

The legacy of discriminatory housing and land use policies and practices (e.g., redlining, racially restrictive covenants, exclusionary zoning, and so forth) have led to significant racial and economic disparities in access to housing and neighborhoods of choice. As noted in VISION 2050, historical land use and housing policies have played a role in creating and maintaining racial inequities. Today, these disparities affect equitable access to well-funded schools, healthy environments, open space, and employment.

Later in this element, data is presented in order to investigate if there is evidence of potential racially disparate impacts (RDIs) in order to address these topics.

6.3 Housing Needs and Analysis

This section serves as a supplement to the city's HAP and HNA. Comprehensive Plans must include assessments of housing needs for different economic sectors and for different housing types (i.e., affordable housing, group homes, foster care facilities, multi-family housing). The King County countywide planning policies (CPPs) further requires jurisdictions to "address the countywide need for housing affordable to households with low-, very low-, and extremely low-incomes, including those with special needs, at a level that calibrates with the jurisdiction's identified affordability gap for those households and results in the combined comprehensive plans in King County meeting countywide need" (Policy H-1). The County distinguishes household income levels according to the following percentages of **area median income** (AMI)[9]:

- *Moderate and High Earners: Earn above 80% AMI annually*
- *Low Income Earners: Earn 51 to 80% of AMI annually*
- *Very Low-Income Earners: Earn 31 to 50% of AMI annually*
- *Extremely Low-Income Earners: Earn 30% (or below) of AMI annually*

Like many figures and values, the AMI fluctuates and changes over time (and generally increases).

As of 2024 the AMI for King County is $137,700. This means that approximately half of households earn less than this figure and approximately half earn above this figure. A household is considered "low income" if it earns between $70,227 and $110,150. "Extremely low-income households" earn less than $41,310 and "very low income" households earn between those two brackets.

[9] CPP Table H-3

The County also provides a list of tools[10] that jurisdictions may implement to help meet the goals for providing housing available to specific household groups by income including "increasing capital, operations, and maintenance funding; adopting complementary land use regulations; fostering welcoming communities, including people with behavioral health needs; adopting supportive policies; and supporting collaborative actions by all jurisdictions."

Currently, Black Diamond has a surplus of housing in the moderate to high income range and a deficit in the extremely low-income range.

Housing Targets, Forecasts, and Capacity

The King County Growth Management Planning Council (GMPC) is comprised of elected officials from King County and the jurisdictions within it. The GMPC sets a 20-year target for the number of households that must be accommodated within each jurisdiction based on growth management population projections. In addition, the PSRC uses growth management population projections to forecast the region's housing and employment needs.

The PSRC uses modeling tools to analyze the region's capacity to support future population growth and development.

- The PSRC Growth targets allocate a ***total number*** of 4,567 ***households*** to Black Diamond by 2044 (that figure represents existing housing units plus assigned growth allocations)
- The King County CCPs forecasts 2,900 ***additional housing units*** (a number which does not include including existing units)

The City is required to assess whether it has capacity to accommodate growth consistent with the GMPC targets using the PSRC forecasts. Both targets fall well below the City's anticipate growth which will occur in the two Master Planned Developments (MPDs). Of the homes anticipated to be constructed over the next 20 years, approximately 6,050 will be a direct result of the two approved MPDs if the developer vests all preliminary plat applications by the end of 2025. (See **Table 6-5**)

Table 6-5: King County Housing Unit Growth Target and PSRC Household Projection for 2044

	Projections for the Year 2044
GMPC Targets	4,742 Housing Units *(comprised of a baseline supply of 1,842 units plus 2,900 additional units)*
PSRC Forecasted Households	4,567 Households
Projected MPD Housing Units, including already built (Lawson Hills and Ten Trails)	6,050 Housing Units

King County further specifies that the 2,900 net new housing units that are needed by 2044 which should be supplied in order to accommodate a wide variety of household incomes (see **Table 6-6)**.

[10] CPP Policy H-3

Table 6-6: Housing Now and Estimated Housing Needed by Area Median Income Bracket Groups

	Total Future Need Forecasted (Total Future Need by 2044)	**Current Number of Housing Units** (Baseline Supply 2019)	**Number of New Housing Units To be Added to Meet the Need** (Net, new need 2019-2044)
0 to ≤30% AMI; Not PSH	826	81	745
0 to ≤30% AMI; PSH	392	0	392
>30 to ≤50% AMI	445	242	203
>50 to ≤80% AMI	641	231	410
>80 to ≤100% AMI	512	361	151
>100 to ≤120% AMI	498	327	171
>120% AMI	1,428	600	828
TOTAL	**4,742**	**1,842**	**2,900**

Over the next twenty years, Black Diamond has sufficient capacity to accommodate (and in some cases exceed) the number of new housing units that are needed, based on land use classifications and buildable capacity. The city will not need to annex any additional property or expand its Urban Growth Area in order to accommodate the projected new growth; provided, that development occurs on land that is presently vacant or under-developed, or as planned within one of the two MPDS, over the next two decades. However, if market or economic forces interrupt the process of lands from being platted and developed, the city could fall short of the ability to accommodate new growth as expected. For example, recession, prices for housing materials, increased mortgage / lending rates, or changes to lending practices could present pecuniary barriers to the development of future homes.

However, what remains uncertain and is difficult to forecast is to what extend the new housing units will fulfill the requirements to provide housing available to households at various income levels. The largest challenge in expanding Black Diamond's affordable housing stock will be for the 0 to 30% AMI income bracket. Consequently, the City should prioritize steps taken to foster and encourage low-income housing in order to fulfill the needs for the 0 to 30% AMI income bracket. Subsidies or other programs will be likely required to provide housing at those deepest levels of affordability and a range of housing types will need to be produced to fit the broad spectrum of needs, as illustrated in **Figure 6-5**.

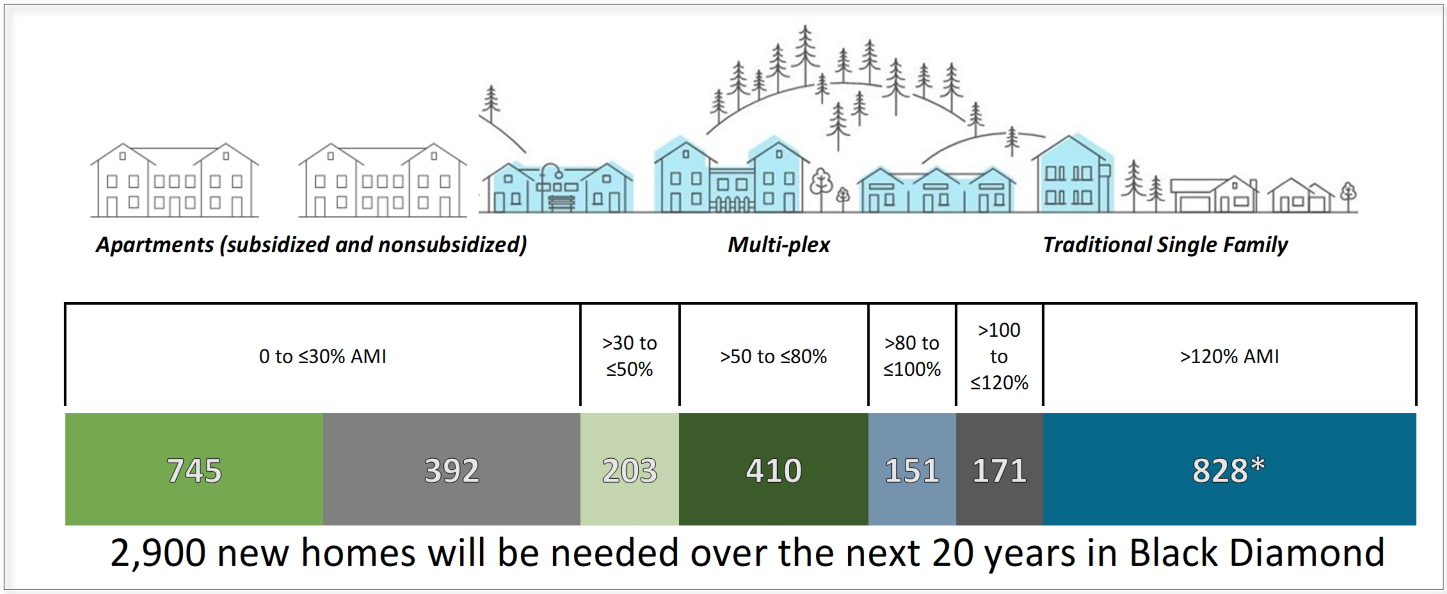


Figure 6-5: New Housing Unit Needs by Area Median Income groups and Examples of the Spectrum of Housing Types Needed[11]

Affordability

Although the total Black Diamond housing supply will exceed projected numbers, housing affordability is an essential part of the planning policies of King County, the PSRC, and the GMA and presents a unique challenge. These policies require that housing of all types be available to residents of all income levels.

The term *Affordable Housing* is often conflated with “Low-income housing” (referred to as “subsidized housing in this element”) but should not be confused:

- **Affordable housing:** Housing is typically considered to be affordable if total housing costs (rent, mortgage payments, utilities, etc.) do not exceed 30 percent of a household’s gross income.
- **Cost-burdened household**: A household that spends more than 30 percent of their gross income on housing costs. (A household that spends more than 50 percent of their gross income on housing costs is called “Severely cost-burdened.”)
- **Subsidized housing**: Public housing, rental assistance vouchers like Section 8, and developments that use Low-Income Housing Tax Credits are examples of subsidized housing. Subsidized housing lowers overall housing costs for people who live in it.

[11] Graphic adapted from and inspired by Exhibit 3 in Washington Dept. of Commerce Book 2: Guidance for Updating your Housing Element (August 2023)

Income and Housing Costs

The GMA requires cities make adequate provisions for existing and projected housing needs for all economic segments of the community. Policy H-1 of the 2021 King County Countywide Planning Policies requires cities to address the countywide need for affordable housing to households with low, very low, and extremely low incomes, including those with special needs.

The County distinguishes these levels of household income according to the following percentages of area median income[12] (AMI):

- **Low Income Earners:** Earn 50 to 80% of AMI annually
- **Very Low Income Earners:** Earn between 30 and 50% of AMI annually
- **Extremely Low-Income Earners:** Earn below 30% of AMI annually

Figure 6-6 reveals the discrepancies between the housing inventory and the income distribution of Black Diamond. It is clear the current supply of extremely low-income housing (2%) is inadequate given that 10% of current Black Diamond households are extremely low-income. Further, 73% of Black Diamond households are in the moderate- and high-income brackets, whereas the corresponding inventory is lower. Because moderate- and high-income earners are able to buy or rent units that could potentially be occupied by householders having lower income levels, this can further the challenges for the lower income households to access housing inventory to suit them.

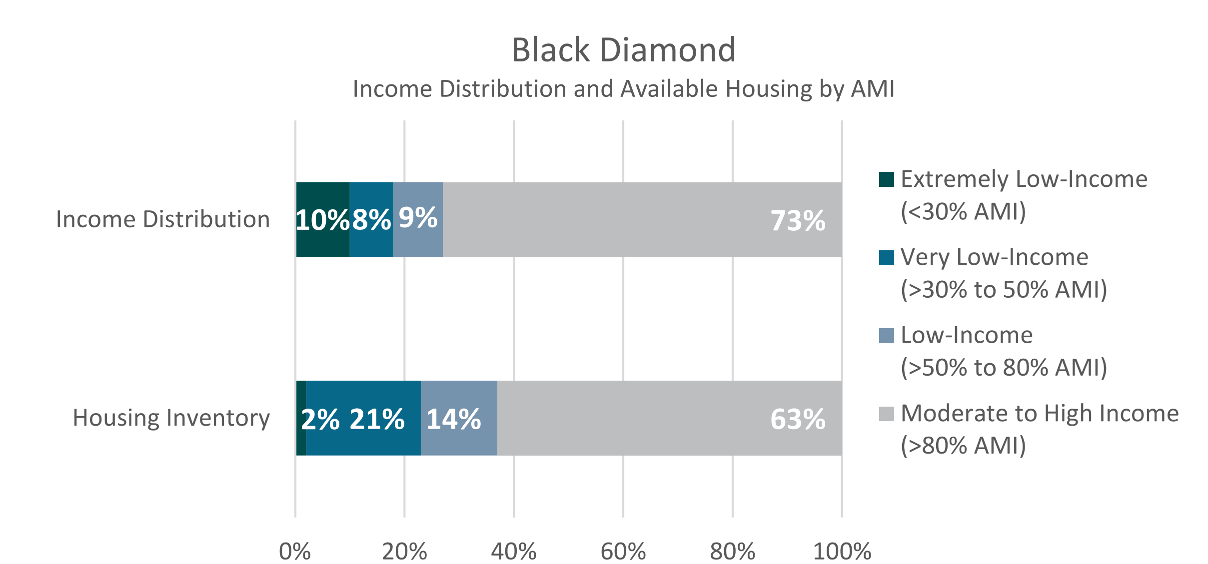


Figure 6-6: Housing Affordability and Income Distribution, 2000-2018

Sources: 2021 King County Countywide Planning Policies (amended 2022 via Ord. 19553), Policy Table H-3; CHAS 2013-2017 (released August 25, 2020)

Next, **Figure 6-7** shows a comparison of income brackets by ethnicity and race in Black Diamond and reveals there is a higher percentage of households of color with lower income brackets. Further,

[12] Area Median Income (AMI) represents the midpoint of an area's income distribution. Fifty percent (50%) of households have an income higher than area median income and 50% have an income lower than the AMI.

Hispanic and Latino (of any race) households experience both the highest proportions of high income and extremely low-income among households. As the community continues to grow, it is important to ensure there is sufficient capacity for rental units and affordable housing for all income brackets. This ensures Black Diamond is inclusive of everyone.

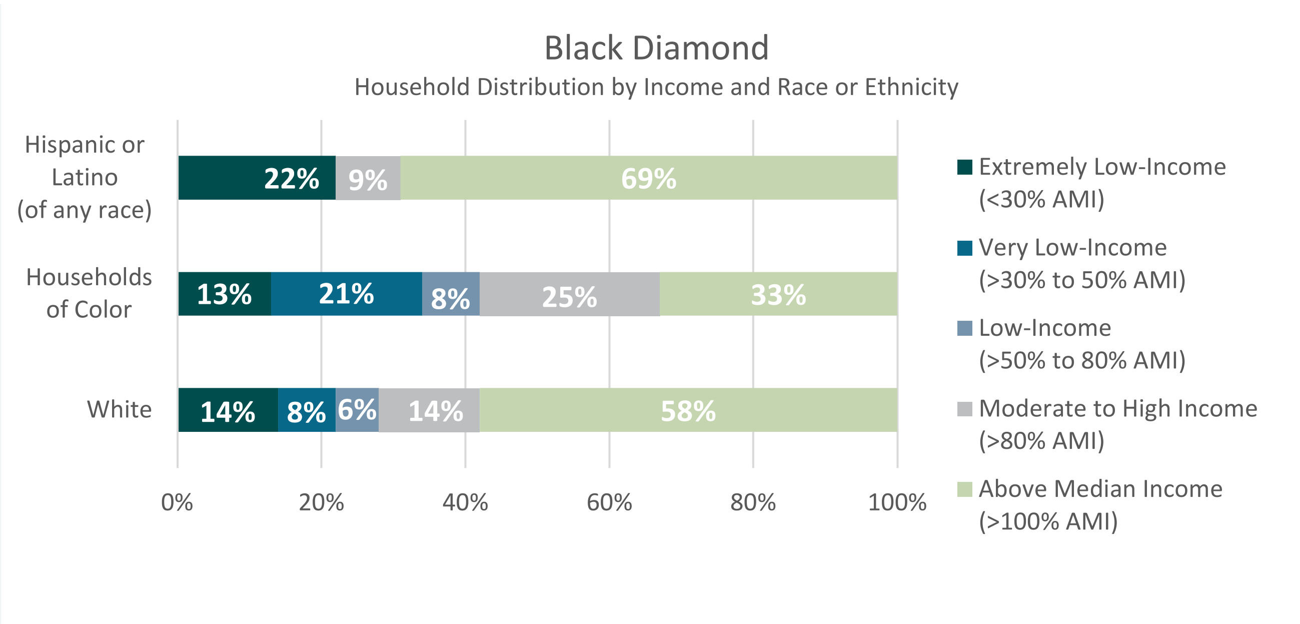


Figure 6-7: Household Distribution by Income and Race or Ethnicity, 2019

Sources: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 1); Washington Department of Commerce, 2023

Cost Burden

The percentage of income paid by moderate-, low-, and very low-income earners toward their monthly housing expenses is a measure of housing affordability. According to the US Department of Housing and Urban Development (HUD), “families who pay more than 30% of their income for housing [including utilities] are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation, and medical care.”

Black Diamond recently adopted a HAP, which includes analysis of cost burdened households. The HAP reported that nearly a third of the households in Black Diamond were cost-burdened. Tables 6-7 and 6-8, which are adapted from the HAP, provide an overview of the data for cost-burdened households:

Table 6-7: Percent of Cost-Burdened Households by Income and Housing Tenure, 2018

	Renters		Owners		All Households	
	Black Diamond	King County	Black Diamond	King County	Black Diamond	King County
Extremely low-income **(<30% AMI)**	80%	78%	60%	80%	62%	78%
Very low-income **(31-50% AMI)**	33%	77%	52%	62%	50%	71%
Low-income **(51-80% AMI)**	80%	46%	52%	51%	58%	48%
Moderate to high income **(>80% AMI)**	13%	9%	12%	14%	12%	13%

Source: Table 1 of the Housing Needs Assessment (City of Black Diamond/Blueline Group), November 2020

Table 6-8: Percent of Severely Cost-Burdened Households by Income and Housing Tenure, 2018

	Renters		Owners		All Households	
	Black Diamond	King County	Black Diamond	King County	Black Diamond	King County
Extremely low-income **(<30% AMI)**	40%	62%	48%	63%	47%	62%
Very low-income **(31-50% AMI)**	0%	24%	41%	35%	36%	28%
Low-income **(51-80% AMI)**	0%	5%	23%	16%	18%	10%
Moderate to high income **(>80% AMI)**	0%	1%	0%	2%	0%	2%

Source: Table 2 of the Housing Needs Assessment (City of Black Diamond/Blueline Group), November 2020

Using data to compare the percentage of cost burden homeowners and renters, according to race and ethnicity provides an opportunity to take a further look into potential indicators of racially disparate impacts. This information is not meant to divide the community, but to take a comprehensive look at any potential unintended consequences of local housing policy. **Figure 6-8** shows that the percentage of owner households which are considered to be cost-burdened is the highest among white households in Black Diamond. It does not appear that there are indicators of racially disparate impacts for the group of households which own homes in Black Diamond.

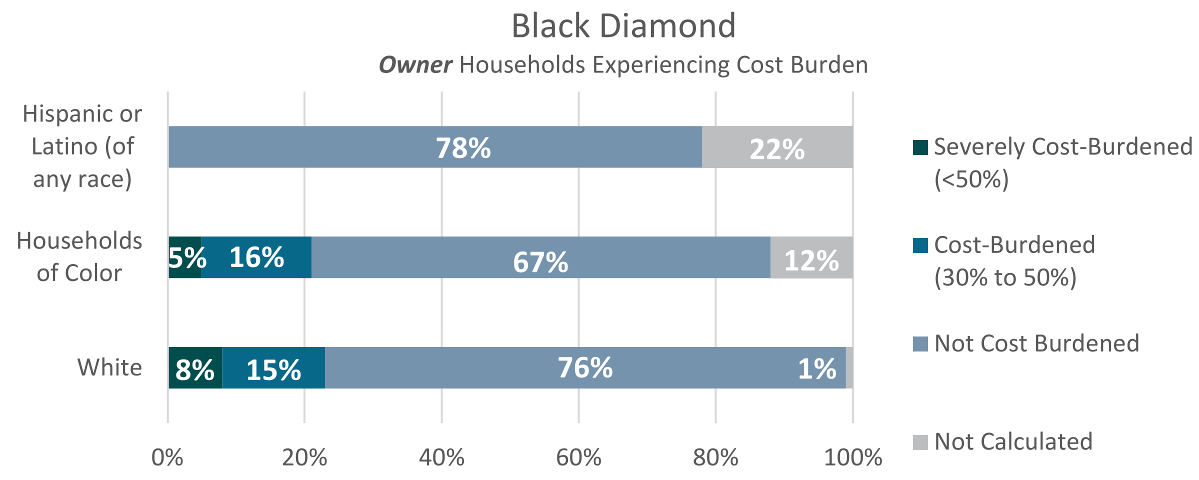


Figure 6-8: Owner Households Experiencing Housing Cost Burden, 2019

Source: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 9); Washington Department of Commerce, 2023

Figure 6-9 shows that renter households of color may appear to be disproportionately experiencing cost burden when compared to other renters or owner households. However, it is important to note that a percentage of the data was unavailable (not calculated), so it will be important to track these results in future comprehensive plan updates. In conclusion, the data does not provide any clear indication of racially disparate impacts (RDIs) for the group of households who rent in Black Diamond.

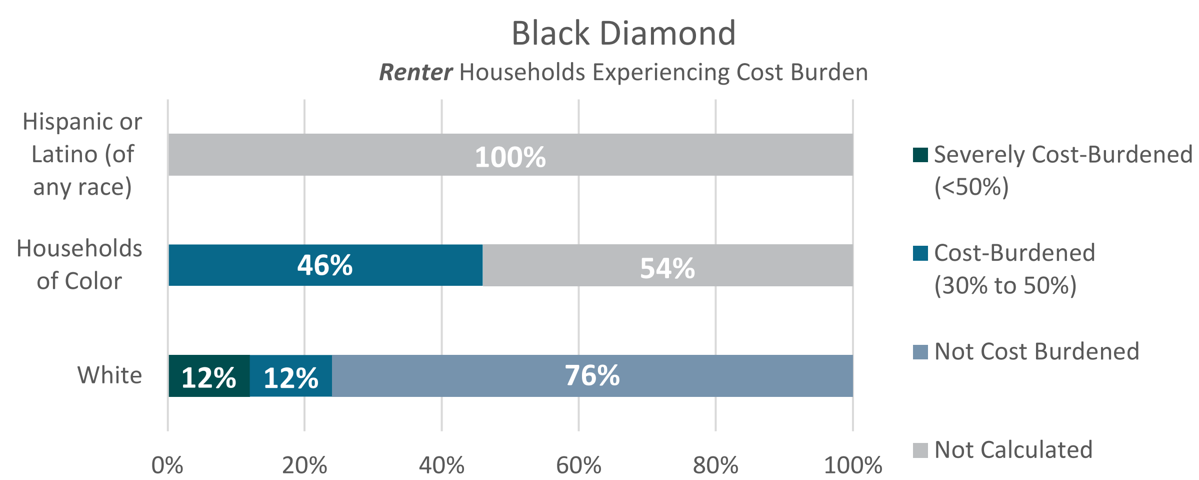


Figure 6-9: Renter Households Experiencing Housing Cost Burden, 2019

Source: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 9); Washington Department of Commerce, 2023

Displacement Risk
The City must assess and identify areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments. Fortunately, tools provided by both the PSRC and by Commerce (Risk of Displacement maps) show Black Diamond in an area of low displacement risk. Nonetheless, this concern should be monitored over time as market conditions and other factors change.

Affordable Housing Programs
According to the GMA, housing can be considered “affordable housing” when the total housing costs, including basic utilities, does not exceed 30% of the income limit (for renters, 50% or less of the County median family income, adjusted for family-size, and for owners, 80% or less of the County median family income, adjusted for family size for owners). In accordance with WAC 365-196-410(2)(e)(iii), planning for affordable housing should be done on a regional basis. Using the general assumption that market factors will guarantee adequate housing for those in the upper economic brackets, it is important to recognize that some combination of appropriately zoned land, regulatory incentives, financial subsidies, and innovative planning techniques will be necessary to ensure adequate provisions for the needs of the entire population.

While government policies and programs alone cannot ensure that everyone is adequately housed, attention should be given to removing regulatory barriers to affordable housing where such action is otherwise consistent with GMA. In the overall implementation of the Act, an effort should be made to avoid an escalation of costs, which will defeat the achievement of the Act’s housing aims.

The City of Black Diamond does not qualify as an “entitlement community” for direct funding from HUD for Community Development Block Grant (CDBG) funding. Under current requirements, the city will become a CDBG entitlement community once the population reaches over 50,000 (well beyond the scope of this Plan). Consequently, the city partners with King County for CDBG and King County HOME Investment Partnerships Consortium programs relating to for housing, rehabilitation, or emergency repair for residents with qualifying incomes. Very-low-income families, the disabled, and the elderly who qualify in Black Diamond may be able to obtain Housing Choice Vouchers from HUD’s Section 8 program, as administered by the King County Housing Authority. Under the program, the participants may choose any housing meeting program requirements and a housing subsidy is paid directly to the property owner. There is often a long waiting list associated with the program.

Black Diamond lacks transit services and ready-proximity or access amenities and programs which can be advantageous to low-income populations. However, as the city grows and additional opportunities for employment, services and transportation options broaden the city can position itself to better accommodate those in need.

Black Diamond could incentivize affordable housing through a multifamily tax exemption (MFTE), which is a waiver of property taxes to encourage affordable housing production and redevelopment in “residential targeted areas” designated by cities. According to the HAP, MFTE programs address a financial feasibility gap for desired development types in the target areas, specifically to develop sufficient available, desirable, and convenient residential housing to meet the needs of the public.

Partnerships and Interlocal Agreements

The Countywide Planning Policies recognize "Where individual jurisdictions lack sufficient resources, collective efforts to fund or provide technical assistance for affordable housing development and preservation, and for the creation of strategies and programs can help to meet the housing needs identified in comprehensive plans."

As identified in the HAP, organizations and alliances such as the South King Housing and Homelessness Partners (SKHHP), the South Sound Housing Affordability Partners (SSHAP), and ARCH (A Regional Coalition for Housing) have been organized to address the region's housing crisis. The City of Black Diamond should consider collaborative efforts with cities such as Covington and Maple Valley on shared objectives relating to housing and infrastructure to work together in a similar way.

The City can additionally connect homeowners who may be facing escalating costs to connect with the King County's Department of Community and Human Services which operates a Housing Repair program that provides funding for a broad spectrum of home repairs. Funding through the program is additionally available to help renters make their units more accessible.

Property Tax Exemptions or Deferrals

The Washington State Department of Revenue offers programs for property tax exemptions or deferrals for qualified low-income households, senior citizens, and disabled persons. The City should also focus outreach efforts within these groups to connect those who may qualify for assistance, particularly in an effort to alleviate economic pressures on longtime homeowners facing escalating costs and in danger of displacement pressures.

Expanding Housing Options

In accordance with state, regional, and county requirements, the city must expand the options for construction of housing types which are alternatives to the traditional single-family home.

Accessory Dwelling Units

Accessory dwelling units (ADUs) are independent and self-contained dwelling units that are within or attached to a single-family dwelling, or in a detached building on the same lot as the primary unit. These are sometime commonly known as "granny flats" or "mother-in-law apartments." Through the municipal code[13], the City promotes and encourages the creation of ADUs in a manner that enhances residential neighborhoods in order to meet the city's housing needs and realize the myriad benefits of ADUs. Currently, the city has a very small number of permitted ADUs.

[13] Consistent with RCW 36.70A.696, as amended

Since ADUs typically cost less to construct and maintain than typical homes they provide multiple benefits for affordability, including a rental option for renter households that would prefer to live in a single-family neighborhood. They can also provide seniors or families with a supplement to their household income.

The City's HAP describes methods the city could use to encourage ADU construction, such as providing approved stock designs that would eliminate the need for a designer and would expedite the permit process or waiving utility connection and impact fees.

Apartments / Multi-Family Housing

The City has historically limited multi-family housing, only allowing structures having up to only six dwelling units each (or as otherwise permitted through a Master Planned Development). For several decades no new apartments were constructed. However, through amendments to the municipal code and changes to the zoning map, opportunities for broader multi-family housing options will be expanded, beginning in 2024.

Cottage Housing

Since 2009 the City has allowed cottage housing in order to foster an increased sense of community and shared social experiences of a small neighborhood by promoting a form of housing development with features, such as a common central open space, that bring residents together in daily living in order to enable a type of high-efficiency housing that responds to the increasing costs of land, construction materials, and energy, while maintaining compatibility with existing neighborhoods. In doing so, the city allows for a housing option which is considered medium-density housing development that is an alternative to traditional multi-family structures, adds to the diversity of available housing types, and responds to a broader range of lifestyles.

Manufactured Housing

Manufactured homes provide important affordable housing options in the community and represents a choice for consumers who seek affordable or cost-efficient housing. However, there are also criticisms of this housing type, particularly because older units were not built to the current standards and typically depreciate steadily, rather than appreciate like site-built housing. Per state law, the city is rather limited in how it can regulate the placement of manufactured housing through zoning and building codes.

The OFM estimates that Black Diamond had 222 Mobile and Manufactured Homes as of April 2023, which accounted for 8% of the total housing stock. There are two mobile home parks located in the city. The city can legally enact local ordinances that specify that manufactured homes, sited in certain zoning districts, be new manufactured homes, be set on a permanent foundation, comply with any local design standards that also apply to other homes in the zoning district, be thermally equivalent to the state energy code, and meet requirements for the definition of a designated manufactured home (RCW 35.63.160), which excludes "singlewides."

It is important that the manufactured home communities in Black Diamond be preserved to the extent feasible in order to provide housing options and choices for those who choose or need to live there and limit displacement that could occur from market pressure.

Group Homes

Black Diamond allows for licensed ***adult family homes*** to locate in multiple residential and non-residential zoning districts. These are homes where personal care plus room and board is provided to up to six adults not related to the person providing the services. ***Residential care facilities*** are facilities where functionally disabled people are cared for in a residential setting. Black Diamond currently allows these facilities to locate in many residential and non-residential districts, with an approved conditional use permit. State licensed "Group Homes" or "Group Care Facilities" may locate in multiple residential zoning districts.

Assisted Living Facilities

Average life expectancy continues to grow in the United States; according to the centers for Disease Control and Prevention, the life expectancy in 2015 by gender was 81 years of age for females and 76 years of age for males. The baby boomer generation is now nearing, or at, the typical age of retirement. The city of Black Diamond can look for ways to provide housing and related services for the aging segments of the population.

Assisted living, memory care, and senior care facilities are some examples of living residential group-homes that accommodate those who can no longer continue to live independently. Additionally, retirement centers offer accommodations for those who prefer to live in group quarters with amenities for aging adults. The city allows assisted-living facilities and retirement centers to locate as a primary permitted uses in certain districts.

6.4 Housing Goals and Policies

The following Goals and Policies pertain primarily to Housing, although many goals and policies throughout this plan are interrelated. The first goal is known as the "Vision Goal" (shown on page 6-1) and does not include any policies as it is intended to be an over-arching goal for the city, based on the Vision Statement (as described in the Introduction chapter).

***H Goal 1**: Ensure adequate housing for all current and future residents of Black Diamond by achieving and maintaining quality housing and neighborhoods.*

Policy H1-1: Use building design, zoning regulations, and design standards to promote the development of buildings with character and scale appropriate to the site and foster building variety while providing for designs that reflect the distinctive local character, historical character, and natural features.

Policy H1-2: Promote a variety of ~~residential densities and~~moderate density housing types, including but not limited to duplexes, triplexes, and townhomes.

Policy H1-3: Encourage the preservation of existing housing stock, where appropriate, and development standards that minimize housing costs.

Policy H1-4: Provide a balance of dwelling unit types, residential densities, and prices within the City.

Policy H1-5: Provide flexibility in zoning and subdivision regulations to encourage a diversity of owner and rental housing types to ensure capacity to accommodate growth. A diversity of types and styles should include attached and detached units.

Policy H1-6: Coordinate with the PSRC and appropriate agencies to achieve the goals of the Regional Housing Strategy.

Policy H1-7: ~~Adhere~~ Apply the same regulations to ~~pre-~~manufactured and site-built structures.

Policy H1-8: Encourage the preservation and maintenance of existing housing to ensure that such housing is safe and livable.

Policy H1-9: Promote housing affordability in coordination with transportation options, such as transit, bicycle, and pedestrian plans in proximity to transit hubs and corridors and planning for mixed uses in transit station areas.

Policy H1-10: Monitor housing supply, type, and affordability to maintain diversity and affordability.

Policy H1-11: Promote mixed-use residential/commercial development in designated Town Center, Neighborhood Center, and Community Commercial areas.

Policy H1-12: Encourage and clearly regulate the construction of ADUs as a viable option to meet housing needs.

Policy H1-13: Implement, promote, and enforce fair housing policies and practices so that every person in the county has equitable access and opportunity to thrive in their communities of choice, regardless of their race, gender identity, sexual identity, ability, use of a service animal, age, immigration status, national origin, familial status, religion, source of income, military status, or membership in any other relevant category of protected people.

H Goal 2: *Encourage the availability of a wide range of affordable housing to meet the needs of households with varying economic status and promote equitable access to housing.*

Policy H2-1: Work with King County, other local governments and appropriate agencies and programs to maintain an adequate amount ~~the City~~’~~s~~ “~~fair-share~~” of affordable housing and provide affordable homeownership opportunities for extremely low, very low-, low-, and moderate~~-, and middle~~-income households.

Policy H2-2: Eliminate unnecessary or excessive requirements that create barriers to affordable housing. ~~This may include any excessive requirements regarding siting and operating special needs housing.~~

Policy H2-3: Coordinate with appropriate agencies to provide programs and services to ~~needy~~ disadvantaged households, special needs populations, and ~~the homeless~~unhoused persons.

Policy H2-4: Promote affordable housing throughout the City, particularly in locations which are in close proximity to employment, services, amenities, and multi-modal transportation opportunities.

Policy H2-5: ~~The City should Identify regulatory, financial, and physical barriers to the development of affordable housing strategies to overcome such barriers.~~ Incorporate the Housing Action Plan implementation strategies to overcome the lack of access to affordable housing options.

Policy H2-6: ~~The City should~~ Consider inclusionary zoning tools which require developers to include a certain percentage of affordable housing in each development.

Policy H2-7: Collaborate with King County to monitor the supply of affordable housing. Amend local housing policies in this chapter to address results of monitoring efforts.

Policy H2-8: Preserve existing affordable housing units~~, where appropriate~~.

Policy H2-9: Establish policies and procedures to mitigate displacement if and when new development occurs, with specific considerations for low- and moderate-income housing options.

Policy H2-10: Promote zoning and development regulations that are non-exclusionary, and which avoid racially disparate impacts and/or disinvestment. Action against disparate impacts should include review of existing policies, codes, and procedures.

Policy H2-11: Expand efforts to better connect homeowners who may quality for existing need-based programs.

Policy H2-12: Consider offering reduced utility rates for low-income seniors and disabled residents in order to offset rising costs for residents on fixed incomes.

Policy H2-13: Consider establishing a Multi-Family Tax Exemption program to address a financial feasibility gap for desired development types in the target areas, specifically to develop sufficient available, desirable, and convenient residential housing to meet the needs of the public.

H Goal 3: Recognize the need for and support housing for special needs populations.

Policy H3-1: Support development of emergency, transitional, and permanent supportive housing with appropriate services for people with special needs throughout the city and region.

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Policy H3-2: Support opportunities for older adults and people with disabilities to remain in the community as their housing needs change, by encouraging universal design or retrofitting homes for lifetime use.

Policy H3-3: Work with other jurisdictions, as well as health and social service organizations, to develop a coordinated ~~,~~ and regional approach to homelessness.

Policy H3-4: Promote fair housing for all persons and ensure that no city policies, programs, regulations, or decisions result in housing discrimination.

Policy H3-5: Ensure the City allows and has capacity for government-assisted housing, group homes, foster care facilities, emergency housing, emergency shelters, and permanent supportive housing.

H Goal 4: *Prevent neighborhood degradation and promote community safety.*

Policy H4-1: Encourage private reinvestment in residential neighborhoods and private rehabilitation of housing by providing information, technical assistance, and referrals to appropriate agencies and organizations.

Policy H4-2: Promote the use of weatherization programs in existing housing in cooperation with other agencies.

Policy H4-3: Encourage housing design and development that promotes public safety including "Crime Prevention through Environmental Design" components.

Policy H4-4: Encourage energy and water efficiency in existing and new housing developments, as addressed in the Utilities Element.

Policy H4-5: Plan for residential neighborhoods that promote the health and well-being of residents by supporting active living.

Policy H4-6: Consider adopting requirements for defensible space, and similar fire prevention requirements, such as those found in the Urban Wildlands Interface Code, to reduce potential losses from wildfire.

Policy H4-7: Encourage preservation, maintenance, and improvements to existing residential structures.

Policy H4-8: Seek and promote resources that provide financial and other assistance to citizens for maintaining or repairing health and safety features of their homes.

Policy H4-9: Encourage new developments and redevelopment to be compatible with existing and planned neighborhood character such as through design and landscape features.