

Racial Equity and Displacement Analysis

CITY OF NORTH BEND

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Prepared for:

City of North Bend
Community & Economic Development – Planning Department

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1. Introduction

In partnership with LDC, the City of North Bend (City) conducted a Racial Equity and Displacement Analysis as a part of its 2024 periodic update to its Comprehensive Plan. This report is intended to identify any communities that may be at risk of racial discrimination or displacement and any City policies that should be revised to begin to undo racially disparate impacts, displacement, and exclusion in housing.

In 2021, the Washington State Legislature amended the Housing Element requirements of the Growth Management Act (GMA) through [House Bill 1220](#). The amendment strengthened the GMA Housing Element in a variety of ways. This includes modifying language from encouraging the availability of affordable housing to a requirement to plan and accommodate affordable housing to all economic segments of the population. This puts a greater responsibility on local government to plan for housing for low- and moderate-income households.

Housing Element amendments also include new requirements to analyze racially disparate impacts (RDI), displacement, and exclusion in housing. This report is focused on providing the City with initial information on each of these issues as it pertains to the City. The report's findings can then be utilized as part of the comprehensive plan update to assist in meeting new Housing Element requirements. North Bend is taking the opportunity to address current challenges and proactively plan for the future as the community grows.

Excerpt from GMA Housing - Element RCW 36.70A.070(2)

- (e) Identifies local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including:
 - (i) Zoning that may have a discriminatory effect;
 - (ii) Disinvestment; and
 - (iii) Infrastructure availability;
- (f) Identifies and implements policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions;
- (g) Identifies areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments; and
- (h) Establishes antidisplacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.

Figure 1 - Excerpt from GMA Housing Element (RCW 36.70A.070(2))

2. Report Purpose

The Racial Equity and Displacement Analysis Report addresses housing element requirements found in RCW 36.70A.070(2)(e-h). This analysis has been prepared according to guidance provided by the Washington State Department of Commerce¹; the primary categories of the analysis include:

1. Racially Disparate Impacts Assessment
2. Exclusion in Housing Assessment
3. Displacement Assessment
4. Displacement Risk Assessment
5. Housing Policy Assessment

The findings of this analysis, and specific policy recommendations from the housing policy assessment, will be used to inform updates to the City of North Bend's Housing Element in its 2024 Comprehensive Plan update.

3. Background

Land Use Regulation & Relationship to Racial Inequity

Institutional racism can be defined as, "The perpetuation of discrimination on the basis of "race" by political, economic, or legal institutions and systems ... institutional racism reinforces inequalities between groups – e.g., in wealth and income, education, health care, and civil rights – on the basis of the groups' perceived racial differences"². Harmful beliefs, policies, and regulations of the 20th century political environment influenced the practice of urban planning in the United States, which was another avenue through which discriminatory ideologies materialized. Two of these practices are discussed below.

In the early 20th century, before the Supreme Court's *Buchanan v. Warley* decision in 1917, local ordinances in many communities explicitly prohibited black people from buying homes or occupying blocks where the majority of residents were white. Exclusionary zoning also promoted the segregation of income levels and spread quickly across the country after the first zoning ordinances were established in the Northeast and Midwest. Suburbs developed in the post-World War II era were primarily occupied by wealthy white families, and, due to racially restrictive covenants, redlining, and other institutional practices, it was exceedingly difficult if not impossible for other racial and ethnic groups to achieve homeownership and build household wealth in the same way. Requirements for large minimum lot and building footprint sizes, single residence per lot regulations, and the geographic separation and dependence on cars made the suburbs an expensive and exclusive place to live. Racial and economic discrimination often function as one in the same, as minority groups are more likely to be living in poverty when compared against white populations.

Redlining was a practice established by the Roosevelt administration in 1934 through the Federal Housing Administration (FHA) and Homeowner's Loan Coalition (HOLC) and was ultimately institutionalized through the development of the FHA's underwriting manual. According to the Fair Housing Center of Greater Boston, "Redlining is the practice of denying or limiting financial services to certain neighborhoods based on racial or ethnic composition without regard to the residents' qualifications or creditworthiness"³. The Fair Housing Act of 1968 prohibited discrimination based on race, color, national

¹ WA Commerce, HB 1220 Book 3 Guidance to Address Racially Disparate Impacts (April 2023)

² Britannica, The Editors of Encyclopedia. "institutional racism". Encyclopedia Britannica, 20 Feb. 2023, <https://www.britannica.com/topic/institutional-racism>. Accessed 18 April 2023.

³ "The Federal Housing Administration (FHA) Institutionalizes Racism." *1934–1968: FHA Mortgage Insurance Requirements Utilize Redlining*, <https://www.bostonfairhousing.org/timeline/1934-1968-FHA-Redlining.html>.

origin, sex, ability, and familial status; however, it did not make discrimination based on class illegal. As communities of color had been the target of harmful practices and policies up until this point, they were unable to build household wealth through housing security and real property ownership to the same degree as the white population and thus disproportionately fell into lower economic classes. This left them unprotected by the Fair Housing Act. Regulations like large minimum lot and building footprint sizes, limiting lots to one residence, and enforced car dependency put large swaths of communities functionally out of reach for communities of color. While these regulations do not explicitly mention race or ethnicity, the effect was the same due to economic class disparities.

There were other significant ways racial discrimination shaped the field of urban planning. Ultimately the political, economic, and environmental landscapes of U.S. cities had lasting, generational impacts. Cities across the U.S., including in Washington State, have since recognized these impacts and have begun working towards reconciliation.

Even today, there are subdivisions and properties that have race-based restrictions. According to the [University of Washington](#), there are 501 subdivisions and 44,000 properties with such restrictions in King County; a relic of past practices which excluded housing opportunities for non-white people. Today housing exclusion is manifested in concentrations of lower income housing types in areas where investments in schools, parks, and infrastructure may be less than in more affluent areas.

In the above-mentioned study, there are 74 parcels in one subdivision in the City that still contain racially restrictive language. While these restrictions are not legally valid and do not directly impact equitable access to the City today, they do speak to the City's personal history of racial restrictions that have led to racially disparate impacts.

The Puget Sound Region has experienced population and employment growth that has created a challenging housing environment. It is important for the City of North Bend to address these issues and plan proactively for the future. This study is meant to identify if racial exclusion, disparate impacts, and displacement risks exist and to suggest policies to address these issues as the City plans for future growth and change.

Displacement

The Washington State Department of Commerce defines Displacement as:

*"The process by which a household is forced to move from its community because of conditions beyond their control."*⁴

This is a different phenomenon than when property owners voluntarily sell their interests out of personal choice. There are several types of displacement, including:

- Physical displacement - Households are directly forced to move for reasons such as eviction, foreclosure, natural disaster or deterioration in housing quality.
- Economic displacement - Households are compelled to move by rising rents or costs of home ownership like property taxes.
- Cultural displacement – Residents are compelled to move because the people and institutions that make up their cultural community have left the area.

⁴ WA Commerce, HB 1220 Book 3 Guidance to Address Racially Disparate Impacts (April 2023)

Household Income

The Department of Housing and Urban Development (HUD) sets income limits that determine eligibility for assisted housing programs including the Public Housing, Section 8 project-based, Section 8 Housing Choice Voucher, Section 202 housing for the elderly, and Section 811 housing for persons with disabilities programs. HUD defines limits for Low, Very Low, and Extremely Low incomes relative to the HUD Area Median Family Income (HAMFI), which varies by county or metro area. In this report, the analysis will use the income brackets to the right to summarize data including household incomes greater than the HUD Low bracket.

HUD uses HAMFI defined for the Seattle-Bellevue metro area to calculate income limits for the City of North Bend. Figure 4 is a breakdown of the income limits based on family size.

Label	HUD Definition
Extremely Low Income	<=30% HAMFI
Very Low Income	>30% HAMFI and <=50%
Low Income	>50% HAMFI and <=80%
Moderate Income	>80% HAMFI and <=100%
Greater than HAMFI Median	>100% HAMFI

Figure 2 - HUD Income Categories

FY 2022 Income Limit Area	Median Family Income	FY 2022 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Seattle- Bellevue, WA HUD Metro FMR Area	\$134,600	Low (80%) Income Limits (\$)	66,750	76,250	85,800	95,300	102,950	110,550	118,200	125,800
		Very Low (50%) Income Limits (\$)	45,300	51,800	58,250	64,700	69,900	75,100	80,250	85,450
		Extremely Low Income Limits*	27,200	31,050	34,950	38,800	41,950	45,050	48,150	51,250

Figure 3 - HUD Income Limits, Seattle-Bellevue Metro FMR Area

Source: HUD Annual Fiscal Year Income Limits Determination

Cost Burden

HUD considers a household to be cost burdened if they spend more than 30 percent of their income on housing costs, which can include mortgage payments and property taxes (for owner households), rent (for renter households), and utilities (for all households). A household is severely cost burdened if they spend more than 50 percent of their income on housing costs. Cost-burdened households often are forced to make tradeoffs in other areas of their spending, such as food, transportation, health care, or childcare. Excessive housing cost burden contributes to economic displacement pressures, to which households with lower incomes are especially vulnerable.

4. Community Profile

A community profile outlines existing conditions in the City to help analyze equity and displacement risk. This includes community demographics and current housing affordability information. The Housing Action Plan (HAP) created for the City in 2023 included detailed documentation of the community profile covering community populations and households as well as a workforce profile; a summary of these findings has been included here for context.

Populations

- The overall population had increased in the City with the average growth rate between 2000-2021 at 2.39%. North Bend's residential population stands at a median age of 39, slightly higher than King County's median age of 37.
- North Bend is predominately a white (71%) community with a higher ratio of Hispanic or Latino (19%) and lower ratio of Asian (4%) and Black or African Americans (1%) compared to the overall County.
- In North Bend, families primarily speak English at home (87%). Of the 13% that do not speak primarily speak English at home, nearly 10% speak Spanish, 2% speak other Indo-European languages, and 1% speak Asian or Pacific Islander.

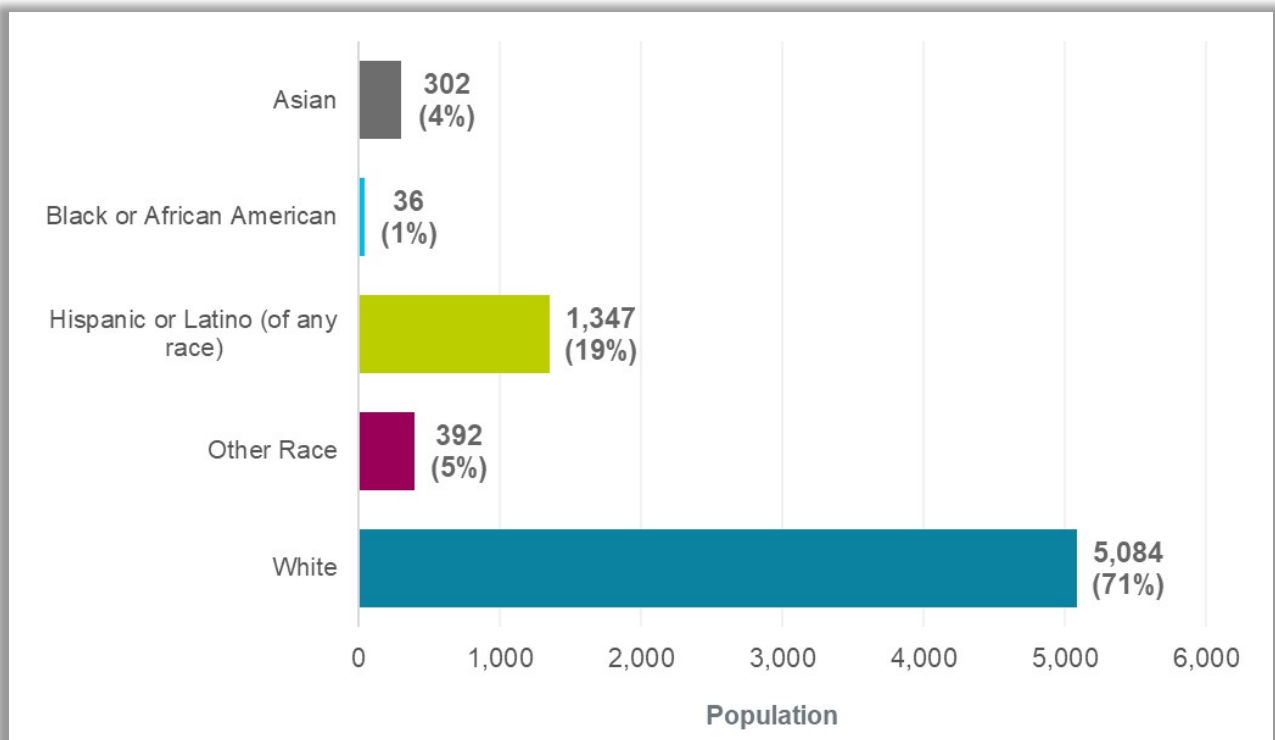


Figure 4 - North Bend population by race and Hispanic or Latino ethnicity, 2020

Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates (Table DP05); Washington Department of Commerce, 2023

Households

- North Bend is primarily a home-owner community with 66% of dwelling units being owner-occupied and 34% being renter-occupied. There is a low vacancy rate (5%) indicating a high demand for housing.
- In 2020, North Bend's average household size was 2.67 residents, higher than King County's average of 2.43 residents. The City saw an increase in average household size since 2010 with 2.36 residents.

- North Bend households had a median income of \$119,392 in 2020, which was higher than the median County household earns. Nonfamily households' average income was \$32,217, less than half of the county's nonfamily household average of \$64,480.
- Renters experience the most financial strain. Out of the 34% of renters, over 13% make less than 30% of the city's AMI.
- PSRC determined the city falls under the low displacement risk category.

Workforce Profile

- With a total of 3,465 jobs in 2019, PSRC identified North Bend's largest employment sectors were in services (39%) and retail (22%).
- The jobs-to-housing ratio is 1.24 and indicates there are more jobs than homes. North Bend has a lower jobs-to-housing ratio compared to King County.
- 91.1% of residents live in North Bend and works outside of the city.
- 89% of North Bend's workforce lives outside the City and are most likely living in Seattle, Bellevue, or Kirkland.

5. Assessments

In this report the following assessments have been prepared based on guidance from the Washington Department of Commerce⁵ and the requirements listed in RCW 36.70A.070(2):

- Racially Disparate Impacts Assessment
- Exclusion in Housing Assessment
- Displacement Assessment
- Displacement Risk Assessment
- Housing Policy Assessment

Each assessment will include analysis for multiple indicators derived from publicly available data sources and recommendations based on the identified findings.

Racially Disparate Impacts Assessment

There are many indicators that can reveal possible racially disparate impacts. Some displacement indicators that were utilized in assessment of racially disparate impacts were:

- Home Ownership
- Housing Cost Burden

Home Ownership (RDI)

How this indicator relates to RDI

Home ownership is a privilege that offers increased stability of housing and a reliable way to build inter-generational wealth. Due to past patterns of racial discrimination and segregation, many households in BIPOC⁶ communities are unable to own homes; this is a pattern seen across the United States, but local conditions can reveal the unique needs of the community.

Analysis

Figure 5 (next page) shows the percentage of households that own the home they live in compared to households that rent in the City of North Bend. Most North Bend residents own their homes with minor variation between the various racial and ethnic backgrounds. The average rate of home ownership for the whole City is 71%. Some of the data presented in Figure 5 is less reliable due to HUD standards for handling small populations; this includes data for Black or African American, Asian, and other race households, an indication of RDI cannot be inferred from the data presented for these populations.

⁵ WA Commerce, HB 1220 Book 3 Guidance to Address Racially Disparate Impacts (April 2023)

⁶ Black, Indigenous, and People of Color

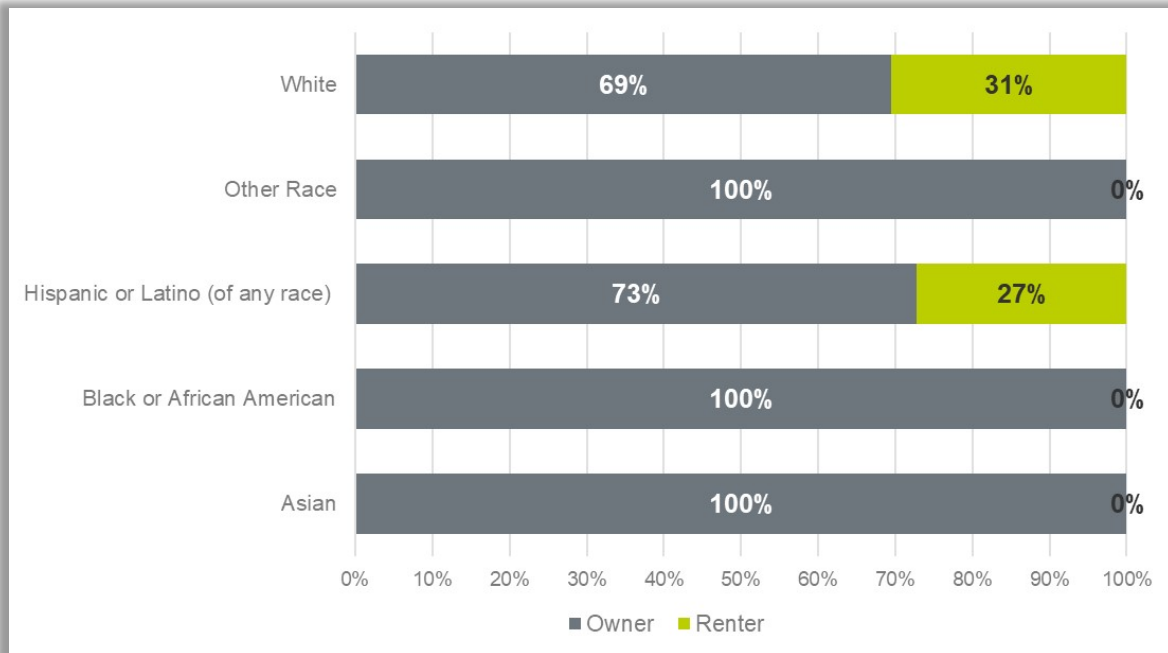


Figure 5 - North Bend percent owner and renter households by race and ethnicity, 2019

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

The rates of homeownership between White and Hispanic or Latino households is very close, with Hispanic or Latino households having a slightly higher rate. This is a good indicator of the integration of the Hispanic and Latino community in North Bend; households who own their home benefit from greater financial stability and participate in their community more which further contributes to the wellness of the City as a whole.

Findings

- Hispanic or Latino households and households of other races have home ownership rates consistent with the average in the City indicating an equitable distribution of housing stability few Racially Disparate Impacts

Housing Cost Burden

How this indicator relates to RDI

In Washington cities and counties, comprehensive plan housing elements are required to inventory existing housing needs, project future housing needs, and identify land for capacity for those housing needs⁷. Affordable housing needs are based on housing cost burden and housing cost burden is a direct indicator of hardship that is often disproportionately distributed among communities racial and ethnic groups. For these reasons, disproportionate levels of housing cost burden across race and/or ethnicity are considered an indicator of racially disparate impacts.

Analysis

Housing cost burden applies equally to owner and renter households but the source of the excess burden varies between the two groups as well as the impact of the burden. In this analysis, all households (owner and renter) were evaluated first.

Figure 6 shows housing cost burden for all households. Approximately 25% of all North Bend residents are either cost burdened or severely cost burdened, with 11% being cost burdened (30-50% of income

⁷ RCW 36.70A.070(2)(a&c)

on housing) and 13% severely cost burdened (greater than 50% of income spent on housing). Rates of housing cost burden are mostly consistent with the average for White and Asian households, but housing cost burden impacts more than one third of households of other races and over half Hispanic or Latino households.

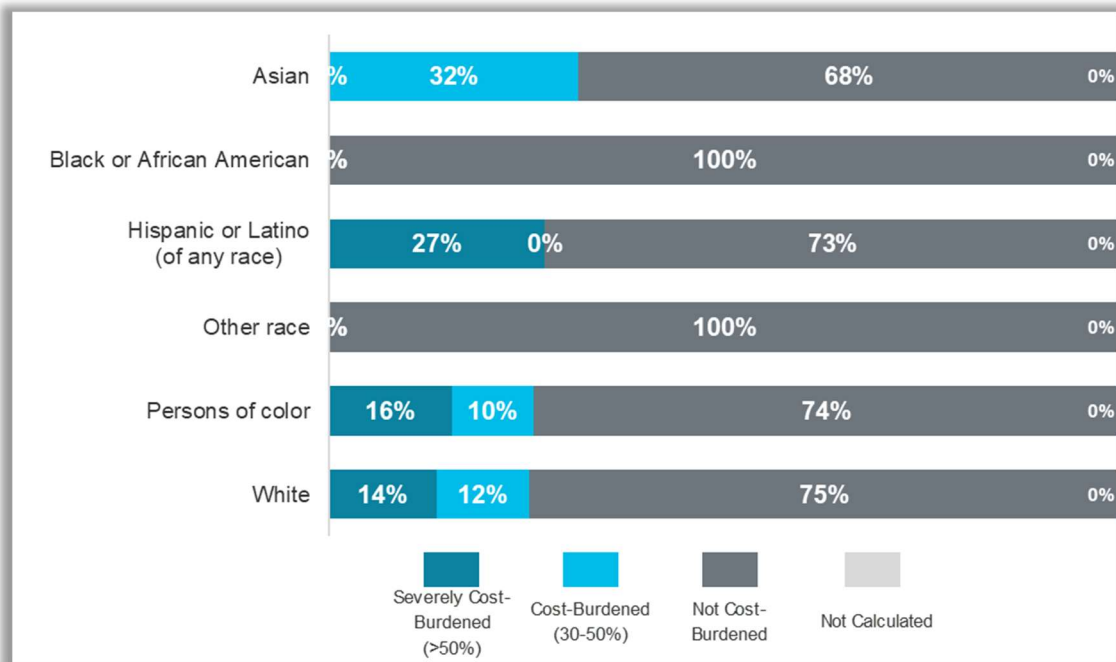


Figure 6 - North Bend percent of all households experiencing housing cost burden, 2019

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

Figure 7 (next page) shows housing cost burden for owner households. Since the majority of households in North Bend are owner households, there is little difference in distribution of housing cost burden for just owner households to the point the graphs appear identical.

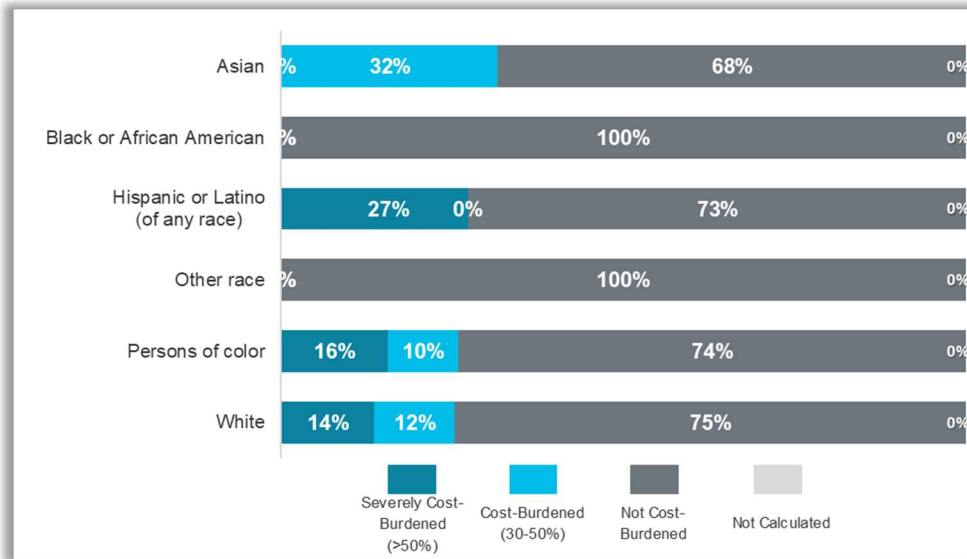


Figure 7 - North Bend percent owner households experiencing housing cost burden, 2019
Source: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 9); Washington Department of Commerce, 2023

Figure 8 shows housing cost burden for renter households. Housing cost burden for renter households is significantly different than for owner households, but covers a smaller portion of the community since fewer residents rent. Of the approximately 750 renter households in North Bend, 47% of them experience some form of housing cost burden, with 16% being cost burdened (30-50% of income on housing) and 31% severely cost burdened (greater than 50% of income spent on housing). The data shows a range of housing cost burden impacts across race and ethnicity, but the exact distribution of housing cost burden within renting households cannot be determined from this data as the margin of error for the 750 renter households is too high due to HUD standards for handling small populations. The analysis does indicate that many renter households experience housing cost and that it likely impacts all races and/or ethnicities some.

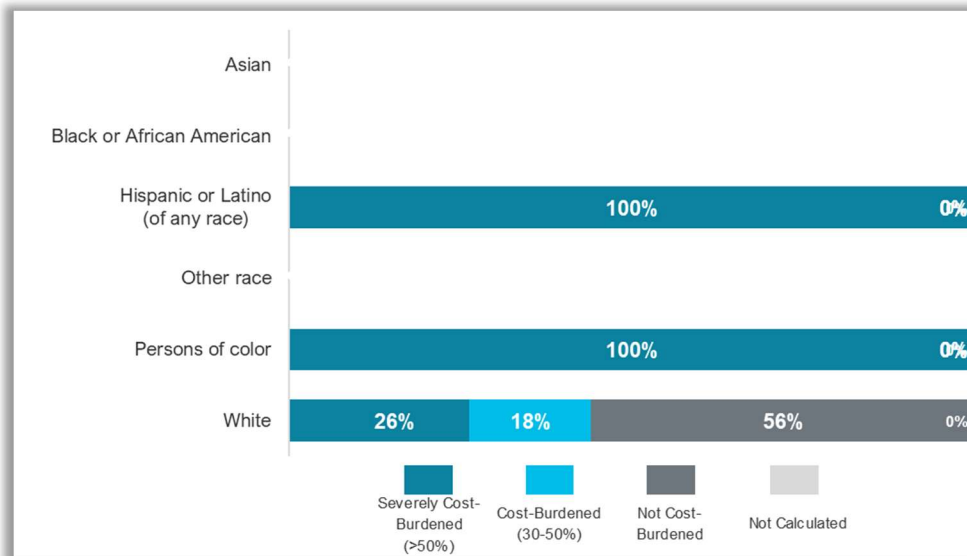


Figure 8 - North Bend percent rent households experiencing housing cost burden, 2019
Source: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 9); Washington Department of Commerce, 2023

Findings

- Approximately 25% of all North Bend residents experience housing cost burden
- Hispanic or Latino and Persons of color households in North Bend appear are disproportionately impacted by housing cost burden

Exclusion in Housing Assessment

Commerce defines exclusion in housing as,

"...the act or effect of shutting or keeping certain populations out of housing within a specified area, in a manner that may be intentional or unintentional."

In the past, exclusion was explicitly expressed through redlining and racially restrictive covenants, however, exclusion did not end when federal courts found restrictive covenants unconstitutional. Throughout the United States, patterns of exclusion that were previously established have been perpetuated through regulations such as large lot zoning and lending practices, among other local, state and federal policies that limit housing opportunities for disadvantaged populations.

In this analysis, Racial Composition was used to assess for exclusion in North Bend.

Racial Composition (Exclusion)

How this indicator relates to exclusion

A city's racial composition relative to a greater area reveals local populations that are not represented in the community, potentially due to exclusion.

Analysis

Figure 9 compares the relative populations of households by race and ethnicity in North Bend to that of King County which includes the population of the unincorporated county as well as all incorporated cities within it. Proportionately, there are more White and Hispanic or Latino households in North Bend than in King County but fewer Asian and Black or African American households. Hispanic or Latino households are the third largest group identified in King County but the second largest group in North Bend.

In isolation, the data in Figure 9 does not indicate exclusion. The notable lack of Black or African American households in North Bend could suggest racial exclusion; Figure 10 (next page) shows a map of the percentage of Black residents in the area surrounding North Bend. Relative to the areas surrounding North Bend, there is no evidence of racial exclusion specific to Black or African American persons. That being said, the City should still take steps to increase the inclusivity and equity in its planning.

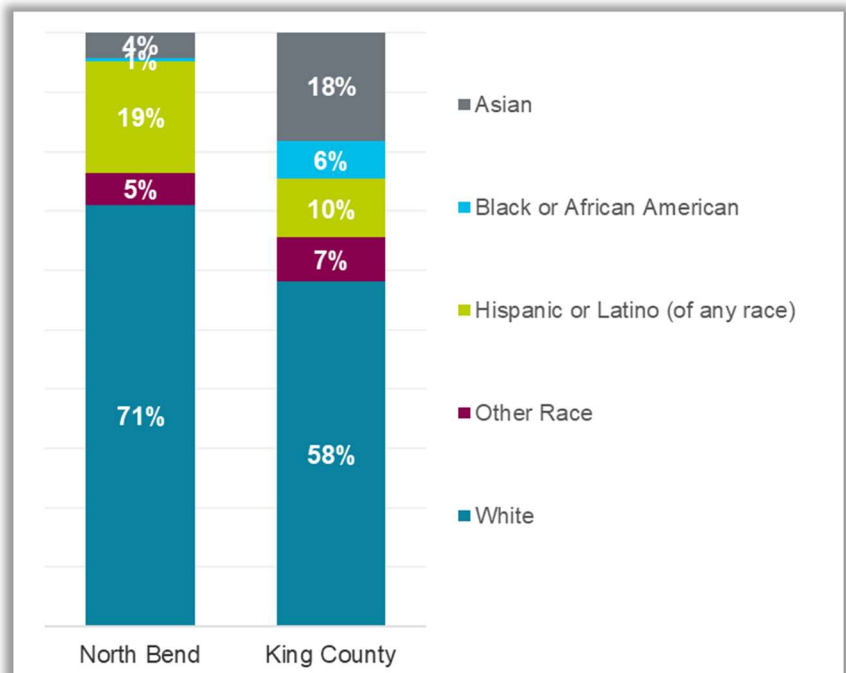


Figure 9 - Racial composition of North Bend and King County, 2020

Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates (Table DP05); Washington Department of Commerce, 2023

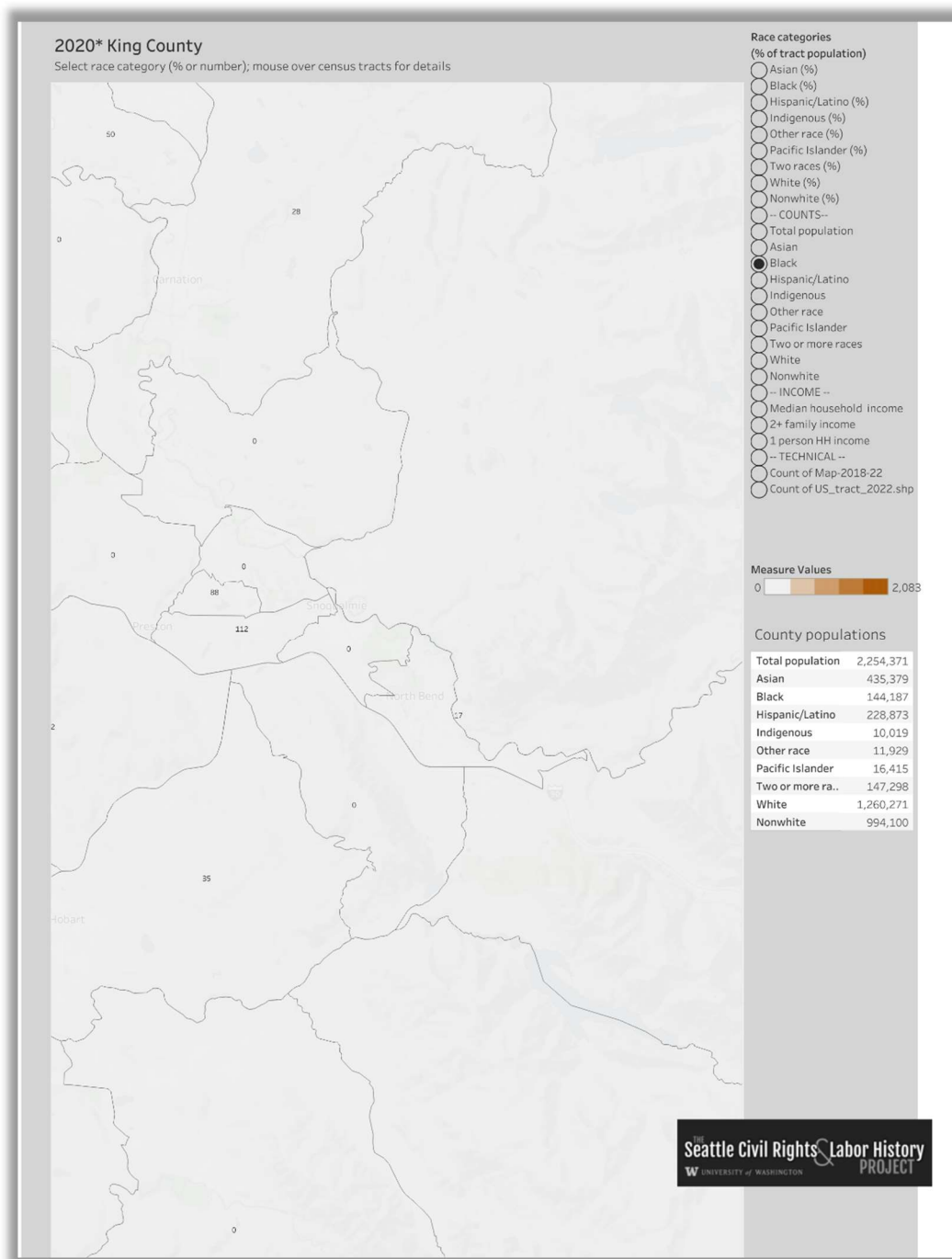


Figure 10 - Race and Segregation in Seattle and King County – Percent Black Residents
Source: University of Washington, Civil Rights and Labor History Consortium - Mapping Race and Segregation in Seattle and King County 1940-2020, 2024

Findings

- North Bend's racial diversity has been increasing consistently with the rest of King County
- North Bend has a very small Black population, but does not show signs of racial exclusion relative to the surrounding area

Displacement Assessment

As previously stated, there are three types of residential displacement:

- Physical displacement - Households are directly forced to move for reasons such as eviction, foreclosure, natural disaster or deterioration in housing quality.
- Economic displacement - Households are compelled to move by rising rents or costs of home ownership like property taxes.
- Cultural displacement – Residents are compelled to move because the people and institutions that make up their cultural community have left the area.

There are many indicators that can reveal possible past displacements. Some indicators that were utilized in assessment of displacement were:

- Demolition Permits
- Household Income Change
- Racial Composition

Demolition Permits

How this indicator relates to displacement

Demolition of residential buildings is an indicator of physical displacement that takes place after any household has been displaced unless the house is abandoned.

Analysis

In 2024, LDC conducted a Land Capacity Analysis for the City of North Bend, which included a detailed examination of the city's developable lands and recent permits. This review revealed that 34 residential units were demolished between 2019 and 2023. During the same four-year period, 267 new residential units were constructed on properties where demolitions occurred. Figure 11 summarizes the building permits recorded on parcels with demolitions in the period of analysis according to their structure type.

Development Activity Associated with Residential Demolition 2019-2023						
Development Activity	Single Family Home	Mobile Home	Duplex	Town House/3 Plex/4 Plex	Multi-Family (Apartments)	Commercial Building (Square-Feet)
New Construction	23 units	0 units	2 units	144 units	98 units	140,374 sf
Demolition	30 units	4 units	0 units	0 units	0 units	0 sf

Figure 11 - Development Activity Associated with Residential Demolition 2019-2023

Most residential demolitions were for Single Family Homes, but some mobile homes were also demolished or moved. A few of the demolitions recorded appear to not be tied to any active development permits, but most sites were redeveloped for higher density housing or commercial uses. Notably, this construction included a Habitat for Humanity project that developed seven units, with two units affordable for households earning less than 50% AMI and five units affordable for households making less than 80% AMI.

The demolition of mobile homes results in a loss of low-income owner housing and can indicate possible displacement; of the four mobile homes demolished, two were described as “derelict” and demolished for commercial redevelopment, one was relocated with no development on-site after, and one was demolished and replaced with a single-family home. It is unlikely these demolitions resulted in displacement or substantially reduced the City’s current low-income housing stock.

Findings

- The amount of demolitions and types of projects associated with their redevelopment does not suggest any existing physical or economic displacement has taken place in recent years.

Household Income Change

How this indicator relates to displacement

It is natural for households' incomes to increase as individuals and families grow older, but changes in household incomes on a City-wide basis may indicate economic displacement that has taken place where households are repeatedly displaced (or not) but are not equally replaced by new residents of their income moving in.

Analysis

Figure 12 shows the change in household income between 2015 and 2020 by race or ethnicity. Some data presented in Figure 12 is less reliable due to HUD standards for handling small numbers, this includes the percentages for Black, Asian, and Other Race households.

This data generally shows relatively less Moderate, Low, and Extremely Low-income households were in North Bend in 2020 than in 2015 and a total 9% increase in the share of households making more than the median income. Hispanic or Latino households appear to have had a dramatic change in income between 2015 and 2020; this may indicate some economic displacement of lower income Hispanic or Latino households. Additionally, White Moderate-Income households appeared to decrease between 2015 and 2020, but the total population of white households still did increase over the period of analysis and does not indicate a probable impact to this population.

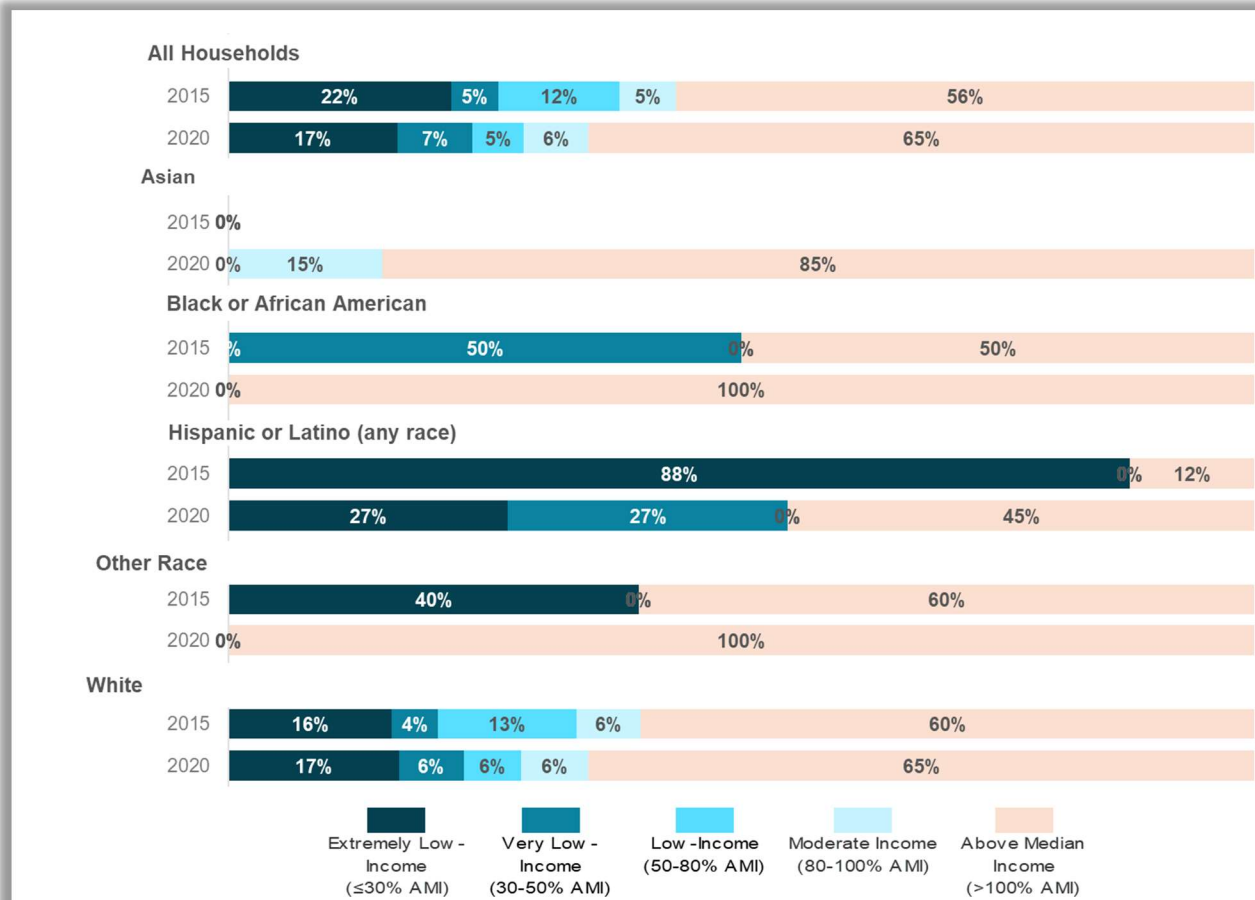


Figure 12 - North Bend five-year change in households by income and race, 2014 – 2019

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

Findings

- There were generally more very low-income and Above Median-Income households in North Bend in 2020 than in 2015.
- Based on income change, Extremely Low-Income Hispanic or Latino households in North Bend may have experienced some economic displacement in recent years.

Racial Composition (Displacement)

How this indicator relates to displacement

Changes in racial composition on a City-wide basis are a strong indicator of cultural displacement that has taken place.

Analysis

Figure 13 shows the change in the City of North Bend's racial composition from 2015 to 2020 as compared to that of King County. Some data presented in Figure 13 is less reliable due to ACS standards for handling small numbers, this includes the percentages for Black, Asian, and Other Race households.

Though King County is considerably more diverse than North Bend on the whole, both North Bend and King County became more diverse between 2015 and 2020.

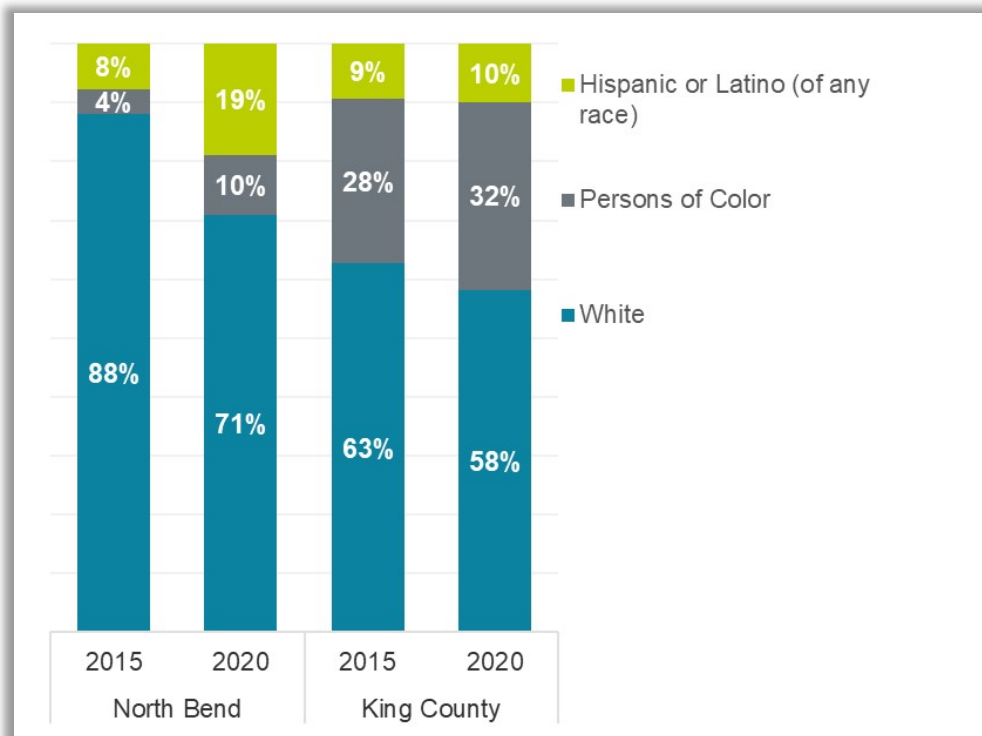


Figure 13 - Racial composition of North Bend and King County, 2015 and 2020

Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates (Table DP05); Washington Department of Commerce, 2023

Figure 13 does depict the general share of Persons of Color also increasing in North Bend's population, but Figure 14 shows the percentage of Black or African American households in North Bend decreased from 4% in 2015 to 1% in 2020. While this is not direct evidence of cultural displacement, this decrease is significant enough to indicate there may be some cultural displacement pressure in North Bend and steps to increase the inclusivity and equity in planning should be taken.

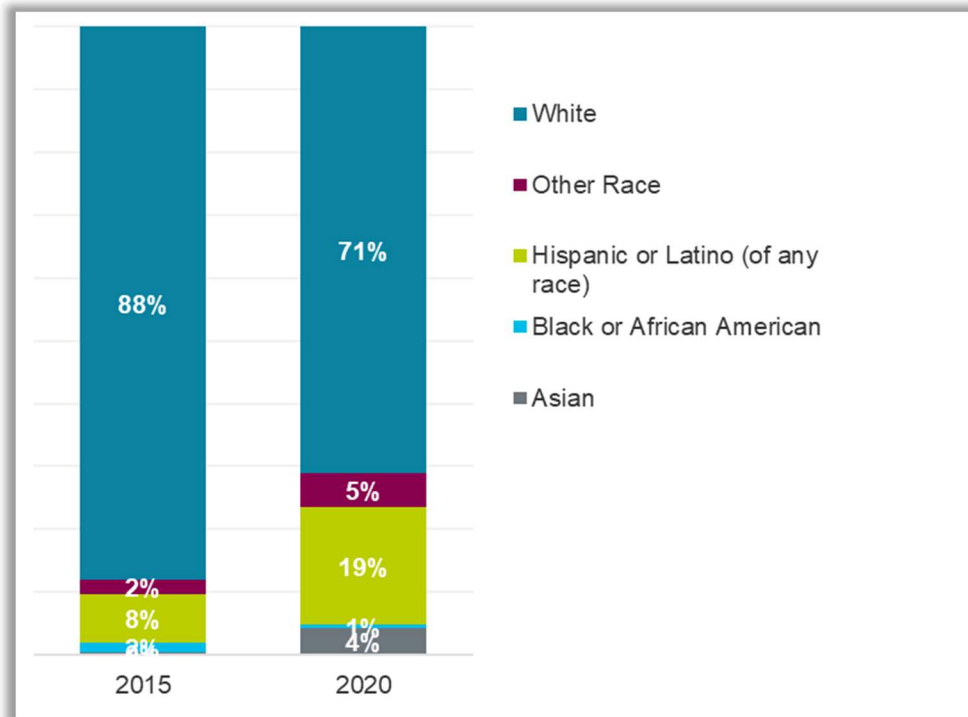


Figure 14 - Racial composition of North Bend, 2015 and 2020

Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates (Table DP05); Washington Department of Commerce, 2023

Findings

- In recent years, North Bend has been getting more diverse in a manner that is consistent with the change seen in King County in the same period.
- The Black or African American population in North Bend has recently decreased in a way that may indicate the presence of cultural displacement pressure.

Displacement Risk Assessment

The Puget Sound Regional Council (PSRC) has prepared a Displacement Risk map, which compiles a variety of displacement risk measures to rank locations and identify displacement risk. More information can be found on the PSRC [website](#).

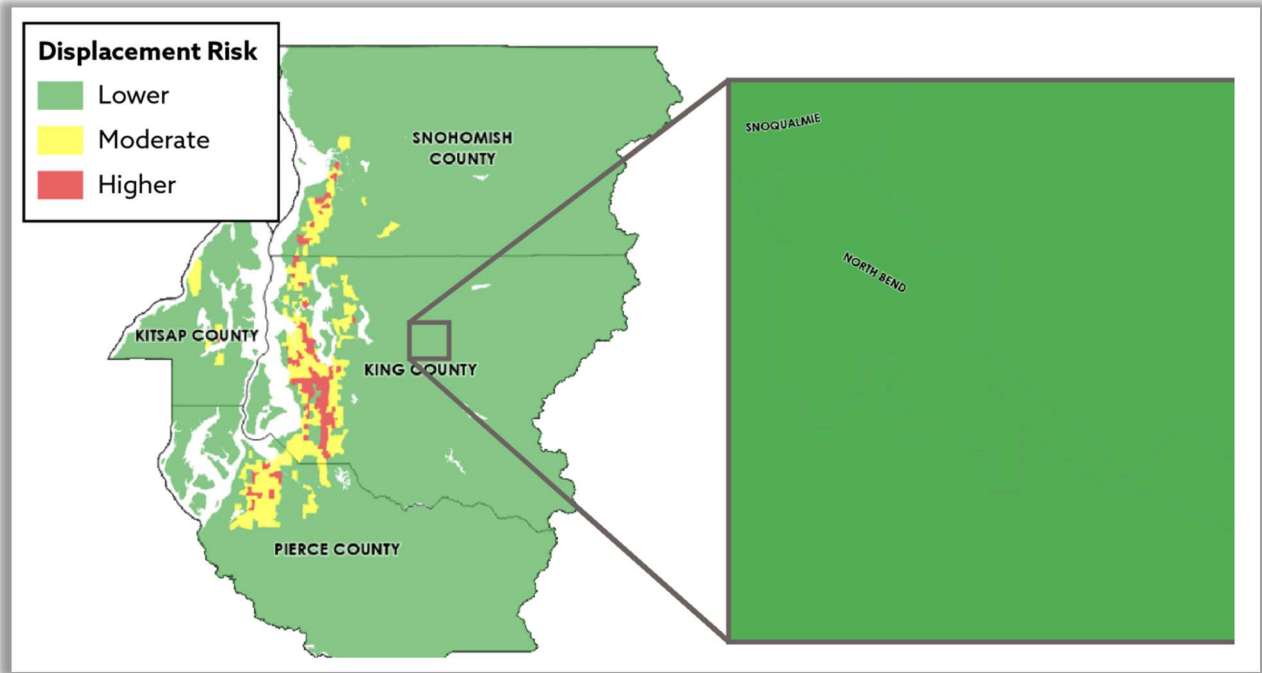


Figure 15 - PSRC "Displacement Risk mapping", 2019

The Displacement Risk map (Figure 15) indicates the overall displacement risk in North Bend.

To evaluate risk for displacement, there are many risk indicators that can reveal possible past displacements or trends that may indicate future displacement risk. Some indicators that were utilized in assessment of displacement risk were:

- Household Income Distribution
- Home Ownership

Household Income Distribution

How this indicator relates to displacement risk

Households with lower incomes are generally more vulnerable to displacement pressures. Issues like housing cost burden and economic displacement are connected to household income so disproportionately low incomes relative to the community is considered an indicator of displacement risk.

Analysis

Figure 16 shows the distribution of income levels within racial and ethnic groups in North Bend. As with previous analysis of HUD data some data presented in Figure 16 is less reliable due to HUD standards for handling small numbers, this includes data presented for Asian and Black households. The average percentage of residents making less than the median income is approximately 29%; Hispanic or Latino households have disproportionately more households making less than the median income which

indicates a disproportionate amount of this group are at greater risk of displacement relative to the rest of the population.

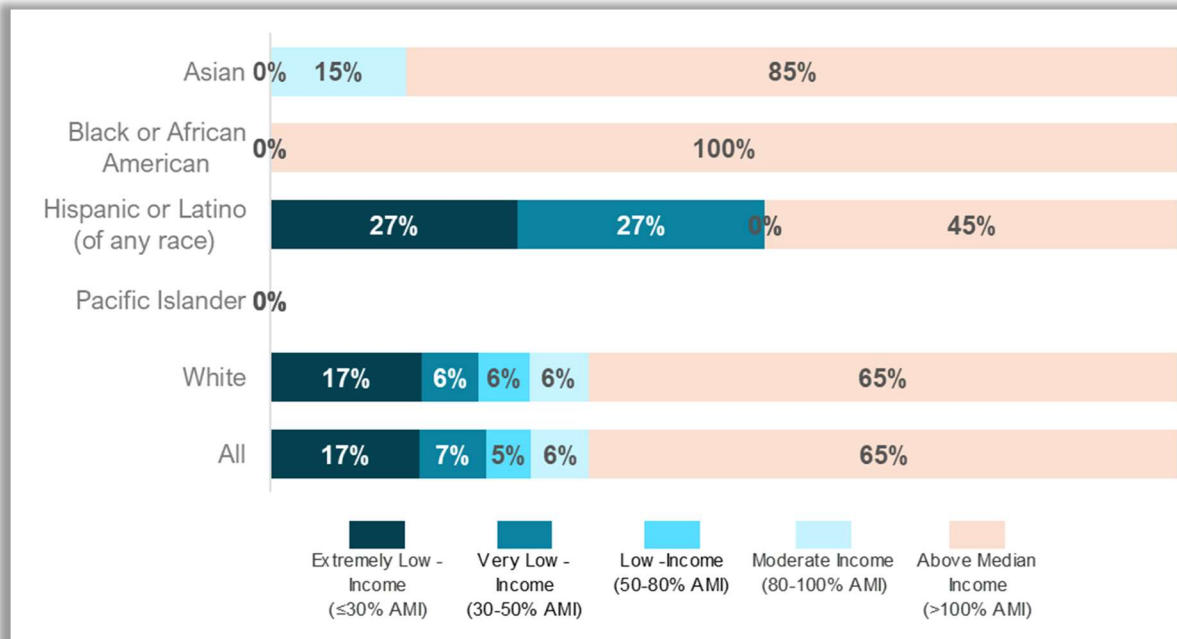


Figure 16 - North Bend distribution of households by income and race or ethnicity, 2019

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

Findings

- Hispanic or Latino households have a greater portion of households making less than the median income and are likely at greater risk of displacement relative to the rest of the population.

Home Ownership

How this indicator relates to displacement risk

As previously mentioned in assessment of RDI, home ownership is a privilege that offers increased stability of housing. In addition to being an indicator of disparate impacts, home ownership heavily impacts displacement risk. Renter households have more variable housing costs and with limited renter protections are acutely vulnerable to economic displacement resulting from land use changes.

Analysis

Figure 17 (next page) shows the percentage of households that own the home they live in compared to households that rent in the City of North Bend. Most North Bend residents own their homes with slight variation between the various racial and ethnic backgrounds. Similar to earlier analyses of HUD data, some information shown in Figure 17 is less reliable because of HUD's standards for managing small numbers. The average rate of home ownership for the whole City is 71%.

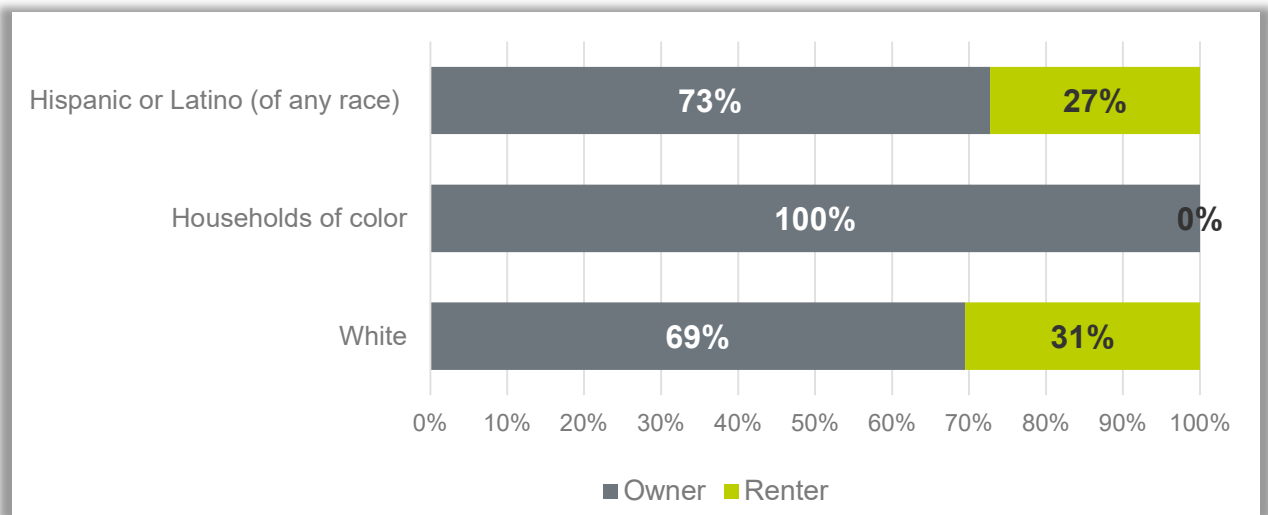


Figure 17 - North Bend percent owner and renter households by race and ethnicity, 2019
Source: US HUD, 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) (Table 9); Washington Department of Commerce, 2023

The rates of homeownership between White and Hispanic or Latino households are very close, with Hispanic or Latino households having a slightly higher rate. This is a good indicator of the integration of the Hispanic and Latino community in North Bend; households who own their home benefit from greater financial stability and participate in their community more which further contributes to the wellness of the City as a whole.

Findings

- Hispanic or Latino households and households of other races have home ownership rates consistent with the average in the City indicating an equitable distribution of housing stability and reduced displacement risk.

Housing Policy Assessment

Commerce guidance for RDI includes directions for addressing these requirements through a housing policy evaluation⁸ which reviews housing policies in the currently adopted Comprehensive Plan and assesses them for support of inclusive housing practices; for North Bend, the 2015 Comprehensive Plan Housing Element goals and policies were included in this assessment.

When evaluating existing Housing Element policies, the Department of Commerce suggests asking:

- Does the policy contribute to racially disparate impacts, displacement, or exclusion in housing? (for example: by making large areas of the city effectively “off-limits” to most types of housing except single-family houses?)
- Is the policy effective in accommodating more housing? If not, does it cause disparate impacts, displacement or exclusion in housing?
- Does the policy increase displacement risk? If so, can this be mitigated through policies or actions?
- Does the policy provide protection to communities of interest from displacement?

Policy evaluation also considers language which has been historically utilized to marginalize certain communities. This could be policies which speak to segregating certain housing types, enforcement policies which could impact those with lower incomes to a great extent, or references to things like “community character” or other vague phrases which could communicate exclusionary housing practices.

Analysis

The following table includes all the current Housing Element policies and evaluates them for support of inclusive housing practices as follows:

Supportive = supports a valid housing approach which achieves the GMA Housing Element goal for housing.

Approaching = supports an inclusive housing approach but could use minor changes to address racially disparate impacts, displacement, or exclusion in housing.

Challenging = policy could use changes or modifications to meet GMA Housing Element goals

N/A = Not applicable

⁸ WA Commerce, HB 1220 Book 3 Guidance to Address Racially Disparate Impacts (April 2023), p.34

Policy	Evaluation	Explanation
H-G1 Encourage a variety of housing types and densities compatibly located to meet the demands of a diverse population.	Supportive	This goal supports the objective of inclusive housing; supporting policies should maintain the focus of providing housing for a diverse population.
H-G2 Promote residential neighborhoods that contain the necessary public amenities and support facilities that contribute to a high quality of life for North Bend residents.	Approaching	While this goal promotes important elements for quality of life, it would benefit from adjustments to ensure it supports inclusivity and mitigates risks of displacement and exclusion.
H-G3 The city should encourage the preservation and rehabilitation of the existing housing stock as a means of providing affordable housing.	Approaching	This goal is supportive of affordable housing and helps mitigate displacement risks, but it would benefit from clearer strategies and protections for communities of interest and increased focus on overall housing supply.
H-G4 The City of North Bend should provide adequate land capacity for forecasted population and residential growth within its city limits and Urban Growth Area in order to promote stable housing prices, foster affordability and broaden housing choices.	Approaching	This goal has strong potential to promote housing stability and affordability, but it requires careful implementation to ensure it supports all communities and mitigates the risk of exclusion or displacement.
H-P1.1 Encourage the development of single-family residential infill that would blend with surrounding homes and be more affordable and be compatible with existing neighborhoods within the city limits.	Challenging	While this policy aims to provide affordable infill housing, its focus on single-family residences limits inclusivity and may inadvertently contribute to exclusion. It would benefit from a broader approach that includes diverse housing options and stronger protections for existing residents.
H-P1.2 Encourage the provision of a diversity of housing types and sizes to meet the needs of wide range of economic levels, age groups and household make-up.	Supportive	This policy is well-aligned with inclusive housing practices, aiming to accommodate a wide range of needs and reduce potential disparities.

Policy	Evaluation	Explanation
H-P1.3 Encourage a mix of housing types, models and densities.	Supportive	This policy effectively promotes diverse housing options and can contribute to addressing housing shortages and inclusivity.
H-P1.4 Create incentives for developers to include affordable housing voluntarily in new developments.	Approaching	This policy aims to increase affordable housing development opportunities through developer incentives, which is a good approach. This policy would benefit from additional language supporting the equitable development of affordable housing.
H-P1.5 Encourage non-profit housing providers to pursue housing development opportunities that supply affordable housing while providing a high quality residential living environment.	Supportive	This policy effectively encourages the development of affordable housing through non-profit providers, which can create long-term affordable housing for the City's future.
H-P1.6 Work with King County to develop affordable housing opportunities within the Snoqualmie Valley communities.	Approaching	This policy fosters collaboration to develop affordable housing in the Snoqualmie Valley, which is a positive step. This policy could be improved by providing broader coordination with neighboring jurisdictions, tribes, and community organizations.
H-P1.7 Reduce impact fees for residential developments that include affordable housing for those with low or very low-incomes.	Supportive	This policy effectively incentivizes the development of affordable housing for low-income residents by reducing impact fees, which can promote inclusivity and mitigate displacement risks.
H-P1.8 Seek housing assistance programs to meet the needs of low-income or other special-needs city residents, while seeking to preserve the existing subsidized housing currently located within the city.	Supportive	This policy seeks to assist low-income and special-needs residents while preserving existing affordable housing, which promotes inclusivity and stability.
H-P1.9 Work with the King County Housing Authority and other low income housing providers to provide affordable units to households at or below 80% of median	Supportive	This policy effectively seeks to collaborate with key housing authorities to provide affordable units for low-income

Policy	Evaluation	Explanation
income by the end of the target period (2022).		households, promoting inclusivity and addressing displacement risks.
H-P1.10 Work with other governmental agencies to develop methods that can streamline the residential permit review process to reduce the impact on affordable housing development.	Supportive	This policy effectively seeks to enhance the development of affordable housing by streamlining the permit process, which can alleviate barriers to the city's housing supply.
H-P2.1 Consider development of parks and recreational facilities jointly with the School District and Si View Metropolitan Park District.	Approaching	This policy fosters collaboration to develop recreational facilities, which can benefit the community. However, it would be improved by language targeting improvements in areas of disinvestment or disadvantaged communities within the City.
H-P2.2 Encourage the formation of neighborhood or homeowners associations to help develop a sense of community within a particular neighborhood.	Approaching	This policy encourages community building through neighborhood associations, which can strengthen local ties. The City has little influence on the actual formation of these associations and cannot be expected to advance concerns for racial equity through modifications to this policy.
H-P2.3 Seek to create or retain and protect links to a Citywide Trail System that connects neighborhoods with areas of commerce in an effort to promote alternative transportation systems.	Approaching	This policy effectively seeks to enhance connectivity through a citywide trail system, promoting alternative transportation and potentially benefiting housing indirectly. However, it would be improved by language targeting improvements in areas of disinvestment or disadvantaged communities within the City.
H-P3.1 Enforce building maintenance codes, and health and safety codes for the City's housing stock.	Approaching	This policy effectively aims to ensure safety and quality in the housing stock through code enforcement. It could be improved by considering potential Racially Disparate

Policy	Evaluation	Explanation
		Impacts in the quality of housing.
H-P3.2 Encourage the preservation of affordable older residential structures to maintain the available housing stock.	Supportive	This policy effectively encourages the preservation of affordable older residential structures, which helps maintain the housing stock and mitigate displacement risks. It would also benefit from language specific to displacement while allowing for the redevelopment around and reuse of older structures to increase access to these older neighborhoods.
H-P3.3 Work to preserve and physically improve existing mobile home parks as a means of preserving affordable housing.	Supportive	This policy effectively seeks to preserve and improve existing mobile home parks, which is a vital component of maintaining affordable housing. It helps mitigate displacement risks and supports low-income residents.
H-P3.4 Seek ways of maintaining and increasing the availability of low-income housing through pursuit of Community Development Block Grant funds for housing repair and maintenance, developing links with affordable housing providers.	Supportive	This policy effectively seeks to maintain and increase low-income housing availability through funding and partnerships, addressing the needs of vulnerable populations. It promotes stability and reduces displacement risks.
H-P4.1 Allow for density flexibility in housing development in order to meet population forecasts.	Approaching	This policy promotes density flexibility to meet population forecasts, effectively supporting housing accommodation. However, it would be improved by language that emphasizes inclusivity, protects against displacement, and involves community engagement in the development process.
H-P4.2 Promote opportunities for infill housing within the downtown area that provide a mix of housing types, prices, and densities.	Supportive	This policy effectively encourages infill housing in the downtown area, supporting a mix of types and prices to accommodate diverse needs.

Policy	Evaluation	Explanation
H-P4.3 Develop zoning regulations that will provide incentives to implement county wide planning policy targets for housing affordability as new housing development is permitted.	Approaching	This policy effectively seeks to develop zoning regulations that promote housing affordability through incentives, which can help accommodate diverse populations. This policy could be improved by referencing the goals of the CPPs regarding the equitable provision of housing and mitigating displacement and racially disparate impacts.
H-P4.4 Provide areas for mixed use and high density housing to support a wide range of housing options at all economic segments for residents.	Approaching	This policy effectively aims to provide mixed-use and high-density areas that support a range of housing options for all economic segments. However, it would be improved by language that considers persons from all racial and ethnic backgrounds and inclusive housing practices.
H-P4.5 Continue to allow accessory units, shared housing, cottage housing, infill development, which includes either a mix of residential densities or a mix of residential and commercial land uses in specifically designated areas.	Supportive	This policy effectively supports the development of diverse housing options through various housing types, which can enhance overall housing availability.

Findings

- The City of North Bend has generally supportive housing goals and policies that are consistent with the Growth Management Act (GMA) including:
 - Supporting and considering affordable housing options
 - Supporting the development of affordable housing through coordination with affordable housing providers and consideration of incentives
 - Support for diverse housing types
 - Promoting retention of older housing stock
- The City will need to update housing policies as part of the 2024 Comprehensive Plan update to provide a greater focus on new language added to Housing Element requirements (RCW 36.70A.070(2)(f & h). This includes policies to address racially disparate impacts, displacement, and exclusion in housing. In many cases, this only requires updating existing policies.
- Policy H-P1.1 included restrictive and exclusive language that the City should consider revising or removing. This policy was evaluated as “challenging” for its explicit focus on maintaining single-family housing, limiting inclusivity and inadvertently contributing to exclusion. Policies with restrictive language should be revised to be more inclusive and constructive to community development or should be considered for removal.

6. Report Findings

To address housing element requirements found in RCW 36.70A.070(2)(e-h) this Racial Equity and Displacement Analysis assessed for potentially disparate impacts and risk of displacement affecting marginalized communities in the City of North Bend. The findings identified in each area of analysis are summarized under their respective sections below.

1. Racially Disparate Impacts Assessment

- Hispanic or Latino households and households of other races have home ownership rates consistent with the average in the City indicating an equitable distribution of housing stability few Racially Disparate Impacts.
- Approximately 25% of all North Bend residents experience housing cost burden
- Hispanic or Latino and Persons of color households in North Bend appear are disproportionately impacted by housing cost burden.

2. Exclusion in Housing Assessment

- North Bend’s racial diversity has been increasing consistently with the rest of King County
- North Bend has a very small Black population, but does not show signs of racial exclusion relative to the surrounding area

3. Displacement Assessment

- The amount of demolitions and types of projects associated with their redevelopment does not suggest any existing physical or economic displacement has taken place in recent years
- There were generally more very low-income and Above Median-Income households in North Bend in 2020 than in 2015.
- Based on income change, Extremely Low-Income Hispanic or Latino households in North Bend may have experienced some economic displacement in recent years.
- In recent years, North Bend has been getting more diverse in a manner that is consistent with the change seen in King County in the same period.
- The Black or African American population in North Bend has recently decreased in a way that may indicate the presence of cultural displacement pressure.

4. Displacement Risk Assessment

- PSRC has mapped North Bend for “Lower” displacement risk.
- Hispanic or Latino households have a greater portion of households making less than the median income and are likely at greater risk of displacement relative to the rest of the population.

5. Housing Policy Assessment

- The City of North Bend has generally supportive housing policies that are consistent with the Growth Management Act (GMA) including:
 - Supporting and considering affordable housing options
 - Supporting the development of affordable housing through coordination with affordable housing providers and consideration of incentives
 - Support for diverse housing types
 - Promoting retention of older housing stock
- The City will need to update housing policies as part of the 2024 Comprehensive Plan update to provide a greater focus on new language added to Housing Element requirements (RCW 36.70A.070(2)(f & h). This includes policies to address racially disparate impacts, displacement, and exclusion in housing. In many cases, this only requires updating existing policies.
- Policy H-P1.1 included restrictive and exclusive language that the City should consider revising or removing. This policy was evaluated as “challenging” for its explicit focus on maintaining single-family housing, limiting inclusivity and inadvertently contributing to exclusion. Policies with restrictive language should be revised to be more inclusive and constructive to community development or should be considered for removal.

7. Conclusion

In collaboration with LDC, North Bend has conducted a Racial Equity and Displacement Analysis following Washington State Department of Commerce guidance. This analysis addresses housing element requirements found in RCW 36.70A.070(2)(e-h). The findings of this analysis, and specific policy recommendations from the housing policy assessment, will be used to inform updates to the City of North Bend’s Housing Element in its 2024 Comprehensive Plan update.