

SENATE BILL REPORT

ESSB 5383

As Amended by House, April 10, 2019

Title: An act relating to tiny houses.

Brief Description: Concerning tiny houses.

Sponsors: Senate Committee on Housing Stability & Affordability (originally sponsored by Senators Zeiger, Palumbo, Nguyen, Short, Van De Wege, Wilson, C. and Wilson, L.).

Brief History:

Committee Activity: Housing Stability & Affordability: 2/06/19, 2/13/19 [DPS].

Floor Activity:

Passed Senate: 3/06/19, 44-2.

Passed House: 4/10/19, 95-0.

Brief Summary of Engrossed First Substitute Bill

- Authorizes cities and towns to adopt ordinances regulating the creation of tiny house communities, including through use of the binding site plan method.
- Prohibits cities and towns from adopting ordinances that prevent entry or require removal of a tiny house with wheels used as a primary residence in a manufactured/mobile home community.
- Applies all rights and subjects all duties and penalties under the Manufactured/Mobile Home Landlord-Tenant Act to tenants of tiny house communities.

SENATE COMMITTEE ON HOUSING STABILITY & AFFORDABILITY

Majority Report: That Substitute Senate Bill No. 5383 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kuderer, Chair; Das, Vice Chair; Zeiger, Ranking Member; Darneille, Fortunato, Saldaña and Warnick.

Staff: Brandon Popovac (786-7465)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: Binding Site Plan. The state subdivision law governs the manner in which cities and counties administer the division of land into parcels for the purpose of sale, lease, or other transfers of ownership. The subdivision law is intended to prevent overcrowding of land, reduce congestion on streets and highways, and provide adequate water, sewerage, and other infrastructure to property, among other objectives.

A city, town, or county may adopt by ordinance procedures for the divisions of land by use of a binding site plan as an alternative to the state subdivision law. The use of a binding site plan ordinance is limited to only a few circumstances, including divisions of property by lease where no residential structures other than mobile homes or trailers will be placed on the land. The ordinance must provide for the alteration or vacation of the binding site plan, and may provide for the administrative approval of the binding site plan.

Local Regulation of Recreational Vehicles. Cities and towns are prohibited from adopting local ordinances that prevent the entry or require the removal of a recreational vehicle used as a primary residence in a manufactured/mobile home community. However, local ordinances may require that, in such communities, the recreational vehicle must contain at least one internal toilet and at least one internal shower or the community must provide for the toilets and showers.

Tiny House Building Codes. The International Resident Code (Code) Appendix Q applies to tiny houses used as single dwelling units and modifies various requirements in the Code as it applies to houses that are 400 square feet in area or less, with specific provisions addressing compact stairs, including handrails and headroom, ladders, reduced ceiling heights in lofts, and guard and emergency escapes with certain rescue opening requirements.

Factory Built Housing. The Department of Labor and Industries regulates factory assembled structures, which include manufactured and mobile homes, recreational vehicles, and factory-built housing and commercial structures. Factory-built housing is a structure designed primarily for human occupancy, other than a manufactured or mobile home, that is substantially or entirely prefabricated or assembled at a place other than a building site. Factory-built housing may not be installed in the state unless it is approved by and bears an insignia of approval from the Department of Labor and Industries.

Manufactured/Mobile Home Landlord-Tenant Act. The Manufactured/Mobile Home Landlord-Tenant Act (MHLTA) governs the legal rights, remedies, and obligations arising from any rental agreement between a landlord and a tenant regarding a lot within a mobile home park or manufactured housing community where the tenant has no ownership interest in the property or in the association which owns the property.

Summary of Engrossed First Substitute Bill: Cities and towns may adopt ordinances regulating the creation of tiny house communities, including through use of the binding site plan method.

Cities and towns may not adopt ordinances that prevent entry or require removal of a tiny house with wheels used as a primary residence in a manufactured/mobile home community, with the exception that ordinances may require that tiny houses with wheels contain at least

one internal toilet and one internal shower unless the community provides showers and toilets.

The owner of land on which a tiny house community is located must make reasonable accommodation for utility hookups for water, power, and sewer services in compliance with the MHLTA. Tenants of tiny house communities are entitled to all rights and subject to all duties and penalties under the MHLTA.

Tiny house community is defined as real property rented or held out for rent to others for the placement of tiny houses with wheels, or tiny houses using the binding site plan method. Tiny house and tiny house community is defined as a dwelling to be used as permanent housing with permanent provisions for living, sleeping, eating, cooking, and sanitation built in accordance with Appendix Q of the Code standards. Tiny houses and tiny houses with wheels are subject to factory-built housing standards and rules administered by the Department of Labor and Industries.

Appendix Q of the Code is adopted as part of the state building code to be applicable to all cities and counties.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on First Substitute: PRO: The bill authorizes local governments to pass ordinances to allow for the development of tiny house communities. There is a real market for tiny house communities that is waiting to take off, but the local jurisdictions that want to enter this market need a better legal framework. There is a massive need for tiny house communities. There are people ready to invest millions of dollars towards these communities that are yet to be legal. There are examples of tiny home communities revitalizing small towns. Most counties and cities want to allow for tiny house development and are only concerned if there is a liability issue if there is no state law in place. Some counties have guest house laws that require a septic system big enough to cover the combined units together. This bill is a great tool for counties since they need options. If farm worker housing is allowed, let us allow, with the right density requirements, for more affordable options. Not everyone wants to be in a land trust.

A tiny house community will provide a lot of economic stability and sense of community and efficiency. The bill would help those in recovery from substance use disorder and experiencing chronic homelessness by giving people a second chance. It would give these persons their autonomy and independence producing a domino effect to feel more confident in finding jobs while meeting their basic human needs. It is difficult for people who are living out of their cars to go to work since they cannot shower or have a good night's sleep. The bill will offer the millennial generation the opportunity to actually attain affordable housing and transition into a stable, comfortable family housing. Once teenagers move out

and their families need to downsize, this bill offers a lot of opportunity for those families. The bill provides small families that do not need a large house to avoid paying \$1,500 dollars for a one bedroom.

Tiny house buyers are in abundance, but the biggest challenge they have is placement. The bill presents a viable housing option that is going to last for decades with an actual real estate value the banks can properly finance. Currently a tiny house on wheels can be certified to enable the buyer to use financing at as little as 5 percent with terms up to 20 years and, in some cases, 100 percent financing is available. Just because the tiny house housing type does not appeal to everybody does not make it an illegitimate choice for those who want that option. If a 4000 foot McMansion can be built anywhere that housing is allowed in the state, we should extend the same courtesy to people who choose to live modestly and inexpensively and make efficient use of land and resources.

Persons Testifying: PRO: Senator Hans Zeiger, Prime Sponsor; Todd McKellipds, Washington Tiny House Association; Ethan Goodman, Tech 4 Housing; Hannah Crabtree, Washington Tiny House Association; Lesa McIntyre, Greenworks Group; Lou Pereyra, Tiny Mountain Houses; Wilder Walker, citizen; Ryan Babbit, Babbit Construction Company LLC; Krystal O'Mara, ReMain; Michael Faigenblum, citizen; Zoom Michaels, citizen; Rick Hughes, San Juan County Council, District #2.

Persons Signed In To Testify But Not Testifying: No one.

EFFECT OF HOUSE AMENDMENT(S):

- Requires the State Building Code Council to adopt building code standards specific for tiny houses by December 31, 2019.
- Removes specific references to Appendix Q of the International Residential Code.
- Modifies the definition of "tiny house" and "tiny house with wheels" to mean a dwelling used as permanent housing with certain permanent provisions built in accordance with the state building code.
- Authorizes schools and training programs for students to contract with community service and nonprofit organizations to build tiny houses for low-income housing, without regard to competitive bidding laws for public works, if the students participating in the building of the tiny houses are in:
 1. training in a community and technical college construction or construction management program;
 2. a career and technical education program;
 3. an apprenticeship preparation program; or
 4. training under a construction career exploration program for high school students administered by a nonprofit organization.
- Modifies legislative findings by recognizing Appendix Q of the International Residential Code as a basis for adopting building code standards for tiny houses.