

HOUSE BILL REPORT

HB 1373

As Passed House:
March 10, 2005

Title: An act relating to imposing impact fees on manufactured housing communities.

Brief Description: Imposing impact fees on manufactured housing communities.

Sponsors: By Representatives Simpson, Schindler, Miloscia, Chase and Holmquist.

Brief History:

Committee Activity:

Housing: 2/1/05, 2/8/05 [DP].

Floor Activity:

Passed House: 3/10/05, 94-0.

Brief Summary of Bill

- Declares manufactured housing communities to be attached, multifamily housing units for the purpose of imposing impact fees.

HOUSE COMMITTEE ON HOUSING

Majority Report: Do pass. Signed by 7 members: Representatives Miloscia, Chair; Springer, Vice Chair; Holmquist, Ranking Minority Member; Ormsby, Pettigrew, Schindler and Sells.

Minority Report: Do not pass. Signed by 2 members: Representatives Dunn, Assistant Ranking Minority Member; and McCune.

Staff: Robyn Dupuis (786-7166).

Background:

Counties, cities, and towns that plan under the major provisions of the Growth Management Act (GMA) are authorized to impose impact fees on development activity as part of the financing of public facilities.

Impact fees may be collected and spent only for specific public facilities delineated in statute. "Public facilities," within the context of impact fee statutes, consist of the following capital facilities that are owned or operated by government entities:

- public streets and roads;

- publically owned parks, open space, and recreation facilities;
- school facilities; and
- fire protection facilities in jurisdictions that are not part of a fire district.

Fees are imposed on new developments, as well as on expanding developments. Fees are imposed as per-unit charges billable to the property owner.

Current law states that local ordinances imposing impact fees must include a schedule of fees specific to each type of development activity. The method of fee calculation must take into account the type of development in determining the cost of its anticipated impact. Impact fees must be:

- reasonably related to the new development that creates additional demand and need for public facilities;
- a proportionate share of the cost of the public facilities; and
- used for facilities that reasonably benefit the new development.

Growth Management Act statues do not include definitions for different types of development, nor do they define how specific types of development should be classified, or financially considered, when imposing impact fees. Such decisions are delegated to local governments which do, in fact, classify and charge different fee rates for different types of housing. The primary categories are single family, multi-family and non-residential. Some local governments have also established specific categories for manufactured/mobile home communities, duplexes and others.

Summary of Bill:

Manufactured housing communities are declared to be attached, multifamily housing units for purposes of imposing impact fees.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Impact fees greatly increase the costs of developing and expanding manufactured home communities and as a result, they discourage such development, which represents very affordable housing opportunities in Washington. No new manufactured home communities are being developed in Western Washington and only a few are underway in Eastern Washington because of high development costs, which include impact fees. The financial impact on local services of manufactured homes is far less than that of single family homes, yet they are charged equivalent fees in most communities. Manufactured housing lots are smaller, there is less impervious surface area, they utilize schools less, and require fewer

services from police and fire departments. It would be more equitable to impose the same fees to manufactured housing communities as are charged to multi-family housing units, with which they are most similar in terms of their use of local services.

Testimony Against: This bill isn't the solution to fixing affordable housing issues in Washington. Local governments should retain the right to decide how fees should be imposed. If we lower the costs for one development sector, this just means that costs will be raised for others which will affect the affordability of housing in those sectors. Other options, like more broad based infrastructure funding programs, including tax increases, should be looked at in order to eventually lessen the need for high impact fees for all development sectors.

Persons Testifying: (In support) Ken Spencer, Manufactured Housing Community of Washington; and John Woodring, Manufactured Housing Community of Washington.

(Opposed) Trent Matson, Business Industry Association of Washington; and Nick Federici, Washington Low Income Housing Alliance.

Persons Signed In To Testify But Not Testifying: None.