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**Community Development, Housing &  
Tribal Affairs Committee**

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**HB 2538**

**Brief Description:** Exempting impact fees for low-income housing development.

**Sponsors:** Representatives McBride, Barkis, Appleton, Peterson, Springer, Slatter, Gregerson, Kagi, Wylie, Chapman, Senn, Stanford, Kloba and Santos.

**Brief Summary of Bill**

- Increases the allowable percentage of exemptions from impact fees for low-income housing development from 80 percent to 100 percent.
- Expands the definition of "low-income housing" to include shelters that provide emergency housing for people experiencing homelessness.

**Hearing Date:** 1/18/18

**Staff:** Travis Yonker (786-7383).

**Background:**

Counties that meet certain population thresholds are required to develop a comprehensive land use plan to address a variety of elements relating to the impacts of economic and population growth. Counties that do not meet the population thresholds may also opt to develop such a plan.

Any county that is required, or otherwise opts, to create a comprehensive land use plan is authorized to impose impact fees, through local ordinances, on development activities, as specified in such ordinances, to assist in the financing of system improvements to public facilities.

Local ordinances imposing impact fees may provide an exemption from such fees for low-income housing, and other unspecified development activities with "broad public purpose," in

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which case, the impact fees that otherwise would have been paid by the developer must be paid from other public funds. "Low-income housing" is defined as housing with a monthly rent capped at an amount equal to 30 percent of 80 percent of the county median family income.

When a local ordinance exempts low-income housing from impact fees, it must be through one of the following mechanisms:

- a partial exemption up to 80 percent of the impact fee, in which case the exempted amount is not required to be paid from other public funds; or
- a full waiver beyond the allowed exemption amount (up to 80 percent), in which case the amount waived beyond the allowed exemption must be paid from other public funds.

To receive the benefit of an exemption or waiver, a developer of low-income housing must agree to certain covenants to ensure the development activity continues to be used as low-income housing.

**Summary of Bill:**

When a local ordinance exempts low-income housing from impact fees, it may exempt 100 percent of the impact fees without a requirement that the exempted fees be paid from other public funds.

In addition, the definition of "low-income housing" is expanded to include shelters that provide emergency housing for people experiencing homelessness.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on 4/1/18.