

2SHB 1401 - H AMD 230

By Representative Dunn

FAILED 3/10/2007

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that first-time
4 home buyers in Washington state have been priced out of the housing
5 market in many counties. The legislature finds that many
6 organizations, including local governments, have recognized the
7 affordable housing crisis for first-time home buyers. The
8 legislature finds that, for example, as reported in King county's
9 benchmark growth report, "buying a first home remains extremely
10 difficult for those under one hundred twenty percent of median
11 income." The legislature further finds that growth management
12 regulations contribute to the high cost of housing in many
13 Washington counties, and that loosening land use regulations will
14 reduce housing prices. The legislature finds that numerous studies
15 have determined that growth management restrictions increase the
16 cost of housing.

17 The legislature intends to make housing more affordable for
18 first-time home buyers in counties where housing is currently not
19 affordable for first-time home buyers. The legislature intends to
20 do this by allowing single-family detached residential development
21 to be placed outside of urban growth boundaries at density levels
22 currently prohibited under the prevailing interpretation of the
23 growth management act. These single-family detached homes could be
24 placed outside of urban growth boundaries in counties where the
25 first-time buyer housing affordability index demonstrates that
26 housing is not affordable for first-time home buyers.

27 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A
28 RCW to read as follows:

1 (1) As used in this chapter, "first-time buyer housing
2 affordability index" means the index determined by the Washington
3 center for real estate research that measures the ability of a
4 typical renter household to afford the purchase of a typical
5 starter home by assuming: (a) The household will purchase a home
6 priced at eighty-five percent of area median household income with
7 a ten percent down payment; (b) the home mortgage loan is for a
8 term of thirty years at the prevailing average fixed rate of
9 interest; (c) the potential first-time home buyer earns seventy
10 percent of the area median household income and twenty-five percent
11 of household income can be used for principal and interest
12 payments.

13 (2) For purposes of this chapter, a first-time buyer housing
14 affordability index of: (a) One hundred indicates that a household
15 of the defined income can afford a home of the defined price; (b)
16 less than one hundred indicates that a household of the defined
17 income cannot afford a home of the defined price without spending
18 more than twenty-five percent of their income on mortgage payments;
19 and (c) greater than one hundred indicates that a household of the
20 defined income can afford a home of the defined price while
21 spending less than twenty-five percent of their income on mortgage
22 payments.

23 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A
24 RCW to read as follows:

25 (1)(a) In any county planning under RCW 36.70A.040 in which the
26 first-time buyer housing affordability index, as defined by section
27 2 of this act, and as determined by the Washington center for real
28 estate research at Washington State University, is less than one
29 hundred for three quarters in any given year, for the following two
30 years the county may permit single-family detached residential
31 development of any density outside the urban growth area designated
32 according to RCW 36.70A.110. For purposes of this chapter, single-
33 family detached residential development authorized according to
34 this section shall not be considered urban growth located outside
35 of an urban growth area. Services provided to single-family
36 detached residential development permitted under this section shall
37 not be considered urban services located outside of an urban growth
38 area.

1 (b) Any county planning under RCW 36.70A.040 implementing (a)
2 of this subsection may:

3 (i) Change its comprehensive plan and development regulations
4 after the determination in (a) of this subsection has been made by
5 the Washington center for real estate research to provide new
6 locations for or increased density of single-family detached
7 residential development as provided for in (a) of this subsection;
8 or

9 (ii) Incorporate sections in its comprehensive plan and enact
10 development regulations that provide new locations for or increased
11 density of single-family detached residential development which are
12 contingent upon a determination under (a) of this subsection that
13 the first-time buyer housing affordability index was less than one
14 hundred for three quarters in any given year. In the event that
15 the county chooses to enact sections of its comprehensive plan and
16 development regulations, the county may provide that these sections
17 and regulations take effect January 1st of any year following the
18 determination by the Washington center for real estate research.

19 (2) The year-long period measured by the Washington center for
20 real estate research under subsection (1) of this section shall
21 begin and end in the third quarter of the calendar year. The time
22 period for which the ability to permit single-family residential
23 development under subsection (1) of this section shall begin
24 January 1st of the year following the determination by the
25 Washington center for real estate research."

26 Correct the title.

EFFECT: Strikes the underlying sections of the bill which
create the affordable housing land acquisition revolving
loan fund program for the purchase of land for affordable
housing development.

Establishes that any county planning under the Growth
Management Act may permit single-family detached residential
development of any density outside its urban growth area for
two years if it has a first-time buyer housing affordability
index of less than 100 for three quarters in any given year.
Such housing and services to such housing shall not be
considered urban growth or urban services, respectively.

Counties meeting the affordability threshold established in this act may change their comprehensive plans or incorporate sections into their comprehensive plans to provide new locations for or increased density of single-family detached residential development.