

SHB 2576 - H AMD 1072
By Representative Dunn

1 On page 13, after line 34, insert the following:

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"NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70A RCW to read as follows:

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

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

NEW SECTION. **Sec. 5.** A new section is added to chapter 36.70A RCW to read as follows:

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1 (1)(a) In any county planning under RCW 36.70A.040 in which the
2 first-time buyer housing affordability index, as defined by section
3 2 of this act, and as determined by the Washington center for real
4 estate research at Washington State University, is less than one
5 hundred for three quarters in any given year, for the following two
6 years the county may permit single-family detached residential
7 development of any density outside the urban growth area designated
8 according to RCW 36.70A.110. For purposes of this chapter, single-
9 family detached residential development authorized according to
10 this section shall not be considered urban growth located outside
11 of an urban growth area. Services provided to single-family
12 detached residential development permitted under this section shall
13 not be considered urban services located outside of an urban growth
14 area.

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

17 (i) Change its comprehensive plan and development regulations
18 after the determination in (a) of this subsection has been made by
19 the Washington center for real estate research to provide new
20 locations for or increased density of single-family detached
21 residential development as provided for in (a) of this subsection;
22 or

23 (ii) Incorporate sections in its comprehensive plan and enact
24 development regulations that provide new locations for or increased
25 density of single-family detached residential development which are
26 contingent upon a determination under (a) of this subsection that
27 the first-time buyer housing affordability index was less than one
28 hundred for three quarters in any given year. In the event that
29 the county chooses to enact sections of its comprehensive plan and
30 development regulations, the county may provide that these sections
31 and regulations take effect January 1st of any year following the
32 determination by the Washington center for real estate research.

33 (2) The year-long period measured by the Washington center for
34 real estate research under subsection (1) of this section shall
35 begin and end in the third quarter of the calendar year. The time
36 period for which the ability to permit single-family residential
37 development under subsection (1) of this section shall begin
38 January 1st of the year following the determination by the
39 Washington center for real estate research."

Correct the title.

EFFECT: 1) Authorizes Growth Management Act planning counties to permit single-family, detached, residential development of any density outside of designated urban growth areas, provided the "first-time home buyer affordability index" meets specified requirements; 2) authorizes a county permitting such development to amend its comprehensive plan and development regulations as necessary to accommodate such development outside of its designated urban growth area; and 3) defines the "first-time home buyer affordability index" to mean the index developed by the Washington Center for Real Estate Research that measures, pursuant to a specified formula, the ability of a typical renter household to afford the purchase of a typical starter home.