

FINAL BILL REPORT

SHB 2343

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Synopsis as Enacted

Brief Description: Concerning urban housing supply.

Sponsors: House Committee on Environment & Energy (originally sponsored by Representatives Fitzgibbon, Frame, Macri, Doglio, Tharinger and Pollet).

House Committee on Environment & Energy
Senate Committee on Housing Stability & Affordability

Background:

Growth Management Act.

The Growth Management Act (GMA) is the comprehensive land-use planning framework for counties and cities in Washington. Originally enacted in 1990 and 1991, the GMA establishes land-use designation and environmental protection requirements for all Washington counties and cities. The GMA also establishes a significantly wider array of planning duties for 28 counties, and the cities within those counties, that are obligated to satisfy all planning requirements of the GMA. These jurisdictions are sometimes said to be "fully planning" under the GMA.

The GMA directs fully planning jurisdictions to adopt internally consistent comprehensive land-use plans. Comprehensive plans are implemented through locally adopted development regulations, and both the plans and the local regulations are subject to review and revision requirements prescribed in the GMA. In developing their comprehensive plans, counties and cities must consider various goals set forth in statute.

Legislation enacted in 2019 encouraged fully planning cities to take an array of specified planning actions in order to increase residential building capacity. In general, ordinances and other nonproject actions taken to implement these specified actions, if adopted by April 1, 2021, are not subject to administrative or judicial appeal under either the GMA or the State Environmental Policy Act (SEPA).

Limits on Minimum Residential Parking Requirements.

For affordable housing units that are affordable to very low-income or extremely low-income individuals and located within 0.25 miles of a transit stop receiving transit service at least

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four times per hour for 12 or more hours per day, minimum residential parking requirements may be no greater than one parking space per bedroom or 0.75 spaces per unit.

State Environmental Policy Act.

The SEPA establishes a review process for state and local governments to identify environmental impacts that may result from governmental decisions, such as the issuance of permits or the adoption of land-use plans. The SEPA environmental review process involves a project proponent or the lead agency completing an environmental checklist to identify and evaluate probable environmental impacts. Government decisions identified as having significant adverse environmental impacts must then undergo a more comprehensive environmental analysis in the form of an Environmental Impact Statement.

State Environmental Policy Act – Parking as an Element of the Environment.

Under the SEPA, the Department of Ecology (Ecology) is directed to adopt a list of elements of the environment that must be considered in an analysis under the SEPA, as well as an environmental checklist that will be used by lead agencies in carrying out their environmental review. Ecology has adopted rules that specify that parking is an element of the environment, as well as a component of the environmental checklist that government agencies use to help determine whether a project will have significant environmental impacts.

Summary:

Planning Actions to Increase Residential Building Capacity.

The following changes are made to the list of actions that cities planning fully under the Growth Management Act (GMA) are encouraged to take in order to increase residential building capacity:

- The existing action of authorizing residential development of at least 25 units per acre in certain circumstances is changed, from a minimum zoning district size of 500 acres in cities with a population greater than 40,000 and 250 acres in cities with a population of fewer than 40,000, to a minimum zoning district size of 200 acres in cities with a population greater than 40,000 and 100 acres in cities with a population of fewer than 40,000.
- The existing action related to authorizing a minimum net density of six dwelling units per acre in all residential zones is modified to specify that the calculation of net density does not include the square footage of certain areas that are otherwise prohibited form development.
- The single action related to authorizing accessory dwelling units (ADUs) is changed to four separate, more specific actions: authorize ADUs in one or more zoning districts in which they are currently prohibited; remove minimum parking requirements related to ADUs; remove owner-occupancy requirements related to ADUs; and adopt new square footage requirements related to ADUs that are less restrictive than existing square footage requirements related to ADUs.

The following additions are made to the list of actions that cities planning fully under the GMA are encouraged to take in order to increase residential building capacity:

- authorize a duplex, triplex, or courtyard apartment on one or more parcels for which they are not currently authorized;

- authorize one or more zoning districts of medium density in which individual lots may be no larger than 3,500 square feet and single-family residences may be no larger than 1,200 square feet;
- adopt maximum allowable exemption levels pursuant to the rules adopted by the Department of Ecology (Ecology) related to categorical exemptions under SEPA;
- adopt standards for administrative approval of final plats;
- adopt ordinances authorizing administrative review of preliminary plats;
- adopt other permit process improvements where it is demonstrated that the code, development regulation, or ordinance changes will result in a more efficient permit process for customers;
- update use matrices and allowable use tables that eliminate conditional use permits and administrative conditional use permits for all housing types, including single-family homes, townhomes, multifamily housing, low-income housing, and senior housing, but excluding essential public facilities; and
- allow off-street parking to compensate for lack of on-street parking when private roads are utilized or a parking demand study shows that less parking is required for the project;
 - develop a local program that offers homeowners a combination of financing, design, permitting, or construction support to build accessory dwelling units; and
 - develop a local program that offers homeowners a combination of financing, design, permitting, or construction support to convert a single-family home into a duplex, triplex, or quadplex where those housing types are authorized.

The minimum population requirement, related to eligibility for planning grants from the Department of Commerce in connection with taking certain actions to increase residential building capacity, is eliminated.

The date by which cities must take certain planning actions to increase residential building capacity in order for those actions to be exempt from administrative or judicial appeal under the GMA and the State Environmental Policy Act (SEPA) is changed from April 1, 2021, to April 1, 2023.

Limits on Minimum Residential Parking Requirements.

The frequency of transit service that triggers a cap on minimum residential parking requirements for certain affordable housing units is changed, from four times per hour to two times per hour.

For market rate multifamily housing units that are located within 0.25 miles of a transit stop that receives transit service from at least one route that provides service at least four times per hour for 12 or more hours per day, minimum residential parking requirements may be no greater than one parking space per bedroom or 0.75 space per unit. Counties, as well as cities, may establish a requirement for the provision of more than one parking space per bedroom for market rate multifamily housing, if the jurisdiction has determined a particular housing unit to be in an area with a lack of access to street parking capacity, physical space impediments, or other reasons supported by evidence that would make on-street parking infeasible for the unit.

Definition of Permanent Supportive Housing.

The definition of "permanent supportive housing" is modified to provide that permanent supportive housing is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a resident living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services.

The Washington Center for Real Estate Research.

The existing obligation for the Washington Center for Real Estate Research to produce ongoing reports on Washington's housing supply is modified. The scope of the report due in October 2020 is expanded to include criteria related to employment and housing tenure.

The report due in October 2021 is required to include an analysis of the private rental housing market for each area.

The report due in October 2022 must include detailed information on development regulations, levies and fees, and zoning related to housing development.

State Environmental Policy Act – Rule-making Related to Parking.

Ecology is directed, the next time Ecology amends the rules adopted under the SEPA, to initiate the rulemaking process to remove parking as an element of the environment within WAC 197-11-444 and as a component of the environmental checklist within WAC 197-11-960.

Votes on Final Passage:

House	93	2	
Senate	36	11	(Senate amended)
House	92	5	(House concurred)

Effective: June 11, 2020