

HOUSE BILL REPORT

SHB 2001

As Passed Legislature

Title: An act relating to expanding the ability to build tiny houses.

Brief Description: Expanding the ability to build tiny houses.

Sponsors: House Committee on Local Government (originally sponsored by Representatives McCaslin, Graham, Jacobsen, Chase and Sutherland).

Brief History:

Committee Activity:

Local Government: 2/1/22, 2/2/22 [DPS].

Floor Activity:

Passed House: 2/11/22, 97-1.

Passed Senate: 3/3/22, 47-1.

Passed Legislature.

Brief Summary of Substitute Bill

- Allows tiny house communities to be part of an affordable housing incentive program under the Growth Management Act.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Pollet, Chair; Duerr, Vice Chair; Goehner, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; Berg, Robertson and Senn.

Staff: Elizabeth Allison (786-7129).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Growth Management Act.

The Growth Management Act (GMA) is the State of Washington's comprehensive land use planning framework for counties and cities. The GMA establishes land use designation and environmental protection requirements for all Washington counties and cities, and a significantly wider array of planning duties for counties and the cities within that are obligated by population-based criteria or choice to satisfy all planning requirements of the GMA. Participating counties are required to designate urban growth areas (UGAs) within their boundaries sufficient to accommodate a 20-year population projection range. Each city located within a planning county must be included within a UGA. Urban growth must be encouraged within UGAs, and only growth that is not urban in nature can occur outside of UGAs. Each UGA must permit urban densities and include greenbelt and open space areas.

Affordable Housing Incentive Programs.

Jurisdictions that fully plan under the GMA are authorized to enact or expand affordable housing incentive programs to provide for the development of low-income housing units through development regulations. These programs may include provisions pertaining to:

- density bonuses within the UGA;
- height and bulk bonuses;
- fee waivers or exemptions;
- parking reductions; and
- expedited permitting.

Programs may be implemented through development regulations, conditions on rezoning or permit decisions, or both, on one or more of the following types of development:

- residential;
- commercial;
- industrial; and
- mixed-use.

Affordable housing incentive programs enacted or expanded must comply with various requirements, including:

- providing for the development of low-income housing units;
- jurisdictions must establish standards for low-income renter or owner occupancy housing;
- jurisdictions must establish a maximum rent level or sales price for each low-income housing unit developed under the terms of a program and may adjust levels or prices based on the average size of the household expected to occupy the unit;
- low-income housing units developed under an affordable housing incentive program must be committed to continuing affordability for at least 50 years;
- low-income housing units are encouraged to be located within housing developments for which a bonus or incentive is provided; and
- incentive programs may allow money or property payments in lieu of providing low-income housing units if the jurisdiction determines that the payment achieves a result

equal to or better than providing the affordable housing on-site and other conditions are met.

If a developer chooses not to participate in an incentive program, a jurisdiction may not condition, deny, or delay the issuance of a qualifying permit or development approval, absent incentive provisions of the program.

Jurisdictions may enact or expand incentive programs whether or not the programs impose a tax, fee, or charge on the development or construction of property. Jurisdictions may also modify incentive programs to meet local needs and may include qualifying provisions or requirements not expressly authorized in statute.

Tiny House Communities.

A tiny house community is real property rented or held out for rent to others for the placement of tiny houses with wheels or tiny houses using the binding site plan method. Cities and towns may adopt ordinances regulating the creation of tiny house communities, including through use of the binding site plan method, and may not prohibit the entry or require the removal of a tiny house with wheels used as a primary residence in a manufactured or mobile home community, with certain exceptions. The land owner on which a tiny house community is located must make reasonable accommodation for utility hookups for water, power, and sewer services in compliance with the Manufactured/Mobile Home Landlord-Tenant Act (MHLTA). Tenants of tiny house communities are entitled to all rights and subject to all duties and penalties under the MHLTA.

The binding site plan method is an alternative process to the state subdivision law for creating parcels for sale or leases.

Summary of Substitute Bill:

Tiny house communities may be part of an affordable housing incentive program.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) It is good that the bill is solving homelessness outside of rural areas. Homelessness impacts individuals outside of UGAs and there is not a lot of focus on how local governments can help those individuals. Local jurisdictions are always looking at moving those individuals, which is not inclusive. The law needs to serve them in their area.

(Opposed) Tiny house communities should not be sited outside UGAs. There is a technical loophole requiring these communities to abide by underlying density requirements.

(Other) There is support for the notion that tiny house communities can be an option for local governments to provide under the existing incentive program. The bill is written in a part of the GMA authorizing cities to provide affordable housing incentives, but there is concern that this would have the effect of authorizing tiny house communities outside of UGAs. There would be support if that provision were removed because tiny house communities are relatively high density.

Persons Testifying: (In support) Joe A Kunzler; and Todd McKellips, Washington Tiny House Association.

(Opposed) Bryce Yadon, Futurewise.

(Other) Dave Andersen, Washington Department of Commerce.

Persons Signed In To Testify But Not Testifying: Mike Schmidt, Ensemble Ventures, LLC; Zack Giffin; Anna Navarro; and Gwyn Howat, Mt. Baker Ski Area.