

# SENATE BILL REPORT

## SHB 2001

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As of February 17, 2022

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

**Committee Activity:** Housing & Local Government: 2/17/22.

### Brief Summary of Bill

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

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## SENATE COMMITTEE ON HOUSING & LOCAL GOVERNMENT

**Staff:** Maggie Douglas (786-7279)

**Background:** Growth Management Act. The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. The GMA sets forth three broad planning obligations for those counties and cities who plan fully under the GMA: the county legislative authority must adopt a countywide planning policy; the county, and the cities within the county, must adopt comprehensive plans and designate critical areas, agricultural lands, forestlands, and mineral resource lands, and adopt development regulations accordingly; and the county must designate and take other actions related to urban growth areas (UGAs) 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.

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*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.*

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

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill encourages home ownership by expanding the ability to build tiny houses and tiny house neighborhoods. This authorizes, not requires, tiny houses to be built for the purposes of affordable housing. This also provides incentives for developers. However, we take issue with the provision that was taken out of the bill that authorized tiny house communities to be built outside Urban Growth Areas (UGAs). It is particularly disappointing as removing the provision overlooks those that are living in rural poverty and need affordable housing options. Often areas directly outside the UGA are most affordable for development.

**Persons Testifying:** PRO: Representative Bob McCaslin, Prime Sponsor; Todd McKellips, WASHINGTON TINY HOUSE ASSOCIATION.

**Persons Signed In To Testify But Not Testifying:** No one.