

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2001**

Chapter 275, Laws of 2022

67th Legislature  
2022 Regular Session

TINY HOUSE COMMUNITIES—GROWTH MANAGEMENT ACT AFFORDABLE HOUSING  
INCENTIVE PROGRAMS

EFFECTIVE DATE: June 9, 2022

Passed by the House February 11, 2022  
Yeas 97 Nays 1

LAURIE JINKINS

**Speaker of the House of  
Representatives**

Passed by the Senate March 3, 2022  
Yeas 47 Nays 1

DENNY HECK

**President of the Senate**

Approved March 31, 2022 4:42 PM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2001** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

April 1, 2022

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2001**

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Passed Legislature - 2022 Regular Session

**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** House Local Government (originally sponsored by Representatives McCaslin, Graham, Jacobsen, Chase, and Sutherland)

READ FIRST TIME 02/03/22.

1       AN ACT Relating to expanding the ability to build tiny houses;  
2 amending RCW 36.70A.540; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4       NEW SECTION.       **Sec. 1.**     In 2019 the legislature enacted a  
5 statutory framework encouraging the construction of tiny houses and  
6 tiny house communities. These homes provide a unique opportunity in  
7 the affordable housing market. It is the objective of the legislature  
8 to facilitate more development of housing that people with lower  
9 incomes can own and remove barriers that would prevent the  
10 development of tiny houses and tiny house communities.

11       **Sec. 2.**     RCW 36.70A.540 and 2009 c 80 s 1 are each amended to  
12 read as follows:

13       (1) (a) Any city or county planning under RCW 36.70A.040 may enact  
14 or expand affordable housing incentive programs providing for the  
15 development of low-income housing units through development  
16 regulations or conditions on rezoning or permit decisions, or both,  
17 on one or more of the following types of development: Residential;  
18 commercial; industrial; or mixed-use. An affordable housing incentive  
19 program may include, but is not limited to, one or more of the  
20 following:

- 1 (i) Density bonuses within the urban growth area;
- 2 (ii) Height and bulk bonuses;
- 3 (iii) Fee waivers or exemptions;
- 4 (iv) Parking reductions; or
- 5 (v) Expedited permitting.

6 (b) The city or county may enact or expand such programs whether  
7 or not the programs may impose a tax, fee, or charge on the  
8 development or construction of property.

9 (c) If a developer chooses not to participate in an optional  
10 affordable housing incentive program adopted and authorized under  
11 this section, a city, county, or town may not condition, deny, or  
12 delay the issuance of a permit or development approval that is  
13 consistent with zoning and development standards on the subject  
14 property absent incentive provisions of this program.

15 (2) Affordable housing incentive programs enacted or expanded  
16 under this section shall comply with the following:

17 (a) The incentives or bonuses shall provide for the development  
18 of low-income housing units;

19 (b) Jurisdictions shall establish standards for low-income renter  
20 or owner occupancy housing, including income guidelines consistent  
21 with local housing needs, to assist low-income households that cannot  
22 afford market-rate housing. Low-income households are defined for  
23 renter and owner occupancy program purposes as follows:

24 (i) Rental housing units to be developed shall be affordable to  
25 and occupied by households with an income of fifty percent or less of  
26 the county median family income, adjusted for family size;

27 (ii) Owner occupancy housing units shall be affordable to and  
28 occupied by households with an income of eighty percent or less of  
29 the county median family income, adjusted for family size. The  
30 legislative authority of a jurisdiction, after holding a public  
31 hearing, may establish lower income levels; and

32 (iii) The legislative authority of a jurisdiction, after holding  
33 a public hearing, may also establish higher income levels for rental  
34 housing or for owner occupancy housing upon finding that higher  
35 income levels are needed to address local housing market conditions.  
36 The higher income level for rental housing may not exceed eighty  
37 percent of the county area median family income. The higher income  
38 level for owner occupancy housing may not exceed one hundred percent  
39 of the county area median family income. These established higher

1 income levels are considered "low-income" for the purposes of this  
2 section;

3 (c) The jurisdiction shall establish a maximum rent level or  
4 sales price for each low-income housing unit developed under the  
5 terms of a program and may adjust these levels or prices based on the  
6 average size of the household expected to occupy the unit. For  
7 renter-occupied housing units, the total housing costs, including  
8 basic utilities as determined by the jurisdiction, may not exceed  
9 thirty percent of the income limit for the low-income housing unit;

10 (d) Where a developer is utilizing a housing incentive program  
11 authorized under this section to develop market rate housing, and is  
12 developing low-income housing to satisfy the requirements of the  
13 housing incentive program, the low-income housing units shall be  
14 provided in a range of sizes comparable to those units that are  
15 available to other residents. To the extent practicable, the number  
16 of bedrooms in low-income units must be in the same proportion as the  
17 number of bedrooms in units within the entire development. The  
18 low-income units shall generally be distributed throughout the  
19 development and have substantially the same functionality as the  
20 other units in the development;

21 (e) Low-income housing units developed under an affordable  
22 housing incentive program shall be committed to continuing  
23 affordability for at least fifty years. A local government, however,  
24 may accept payments in lieu of continuing affordability. The program  
25 shall include measures to enforce continuing affordability and income  
26 standards applicable to low-income units constructed under this  
27 section that may include, but are not limited to, covenants, options,  
28 or other agreements to be executed and recorded by owners and  
29 developers;

30 (f) Programs authorized under subsection (1) of this section may  
31 apply to part or all of a jurisdiction and different standards may be  
32 applied to different areas within a jurisdiction or to different  
33 types of development. Programs authorized under this section may be  
34 modified to meet local needs and may include provisions not expressly  
35 provided in this section or RCW 82.02.020;

36 (g) Low-income housing units developed under an affordable  
37 housing incentive program are encouraged to be provided within  
38 developments for which a bonus or incentive is provided. However,  
39 programs may allow units to be provided in a building located in the

1 general area of the development for which a bonus or incentive is  
2 provided; and

3 (h) Affordable housing incentive programs may allow a payment of  
4 money or property in lieu of low-income housing units if the  
5 jurisdiction determines that the payment achieves a result equal to  
6 or better than providing the affordable housing on-site, as long as  
7 the payment does not exceed the approximate cost of developing the  
8 same number and quality of housing units that would otherwise be  
9 developed. Any city or county shall use these funds or property to  
10 support the development of low-income housing, including support  
11 provided through loans or grants to public or private owners or  
12 developers of housing.

13 (3) Affordable housing incentive programs enacted or expanded  
14 under this section may be applied within the jurisdiction to address  
15 the need for increased residential development, consistent with local  
16 growth management and housing policies, as follows:

17 (a) The jurisdiction shall identify certain land use designations  
18 within a geographic area where increased residential development will  
19 assist in achieving local growth management and housing policies;

20 (b) The jurisdiction shall provide increased residential  
21 development capacity through zoning changes, bonus densities, height  
22 and bulk increases, parking reductions, or other regulatory changes  
23 or other incentives;

24 (c) The jurisdiction shall determine that increased residential  
25 development capacity or other incentives can be achieved within the  
26 identified area, subject to consideration of other regulatory  
27 controls on development; and

28 (d) The jurisdiction may establish a minimum amount of affordable  
29 housing that must be provided by all residential developments being  
30 built under the revised regulations, consistent with the requirements  
31 of this section.

32 (4) To provide more affordable housing options, tiny house  
33 communities may be part of an incentive program permitted under this  
34 section.

35 NEW SECTION. **Sec. 3.** This act shall be liberally construed to  
36 carry out its purposes and objectives.

Passed by the House February 11, 2022.  
Passed by the Senate March 3, 2022.  
Approved by the Governor March 31, 2022.

Filed in Office of Secretary of State April 1, 2022.

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