EHB 1337 - S COMM AMD

By Committee on Local Government, Land Use & Tribal Affairs

ADOPTED AND ENGROSSED 04/06/2023

- 1 Strike everything after the enacting clause and insert the 2 following:
- 3 "NEW SECTION. Sec. 1. (1) The legislature makes the following 4 findings:
 - (a) Washington state is experiencing a housing affordability crisis. Many communities across the state are in need of more housing for renters across the income spectrum.
 - (b) Many cities dedicate the majority of residentially zoned land to single detached houses that are increasingly financially out of reach for many households. Due to their smaller size, accessory dwelling units can provide a more affordable housing option in those single-family zones.
 - (c) Localities can start to correct for historic economic and racial exclusion in single-family zones by opening up these neighborhoods to more diverse housing types, including accessory dwelling units, that provide lower cost homes. Increasing housing options in expensive, high-opportunity neighborhoods will give more families access to schools, parks, and other public amenities otherwise accessible to only the wealthy.
 - (d) Accessory dwelling units are frequently rented below market rate, providing additional affordable housing options for renters.
 - (e) Accessory dwelling units can also help to provide housing for very low-income households. More than 10 percent of accessory dwelling units in some areas are occupied by tenants who pay no rent at all; among these tenants are grandparents, adult children, family members with disabilities, friends going through life transitions, and community members in need. Accessory dwelling units meet the needs of these people who might otherwise require subsidized housing space and resources.
 - (f) Accessory dwelling units can meet the needs of Washington's growing senior population, making it possible for this population to age in their communities by offering senior-friendly housing, which

- 1 prioritizes physical accessibility, in walkable communities near amenities essential to successful aging in place, including transit 2 and grocery stores, without requiring costly renovations of existing 3 housing stock. 4
- (g) Homeowners who add an accessory dwelling unit may benefit 5 6 from added income and an increased sense of security.

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- (h) Accessory dwelling units provide environmental benefits. On average they are more energy efficient than single detached houses, and they incentivize adaptive reuse of existing homes and materials.
- (i) Siting accessory dwelling units near transit hubs, employment 10 centers, and public amenities can help to reduce greenhouse gas 11 12 emissions by increasing walkability, shortening household commutes, 13 and curtailing sprawl.
- 14 (2) The legislature intends to promote and encourage the creation of accessory dwelling units as a means to address the need for 15 16 additional affordable housing options.
- Sec. 2. RCW 36.70A.696 and 2021 c 306 s 2 are each amended to 17 read as follows: 18
- The definitions in this section apply throughout RCW 36.70A.697 19 20 ((and)), 36.70A.698, and sections 3 and 4 of this act unless the context clearly requires otherwise. 21
- (1) "Accessory dwelling unit" means a dwelling unit located on 22 the same lot as a single-family housing unit, duplex, triplex, 23 24 townhome, or other housing unit.
 - "Attached accessory dwelling unit" means an accessory dwelling unit located within or attached to a single-family housing unit, duplex, triplex, townhome, or other housing unit.
 - (3) "City" means any city, code city, and town located in a county planning under RCW 36.70A.040.
 - (4) "County" means any county planning under RCW 36.70A.040.
 - "Detached accessory dwelling unit" means an accessory dwelling unit that consists partly or entirely of a building that is separate and detached from a single-family housing unit, duplex, triplex, townhome, or other housing unit and is on the same property.
- (6) "Dwelling unit" means a residential living unit that provides 35 complete independent living facilities for one or more persons and 36 that includes permanent provisions for living, sleeping, eating, 37 cooking, and sanitation. 38

- 1 (7) "Gross floor area" means the interior habitable area of a
 2 dwelling unit including basements and attics but not including a
 3 garage or accessory structure.
 - (8) "Major transit stop" means:
 - (a) A stop on a high capacity transportation system funded or expanded under the provisions of chapter 81.104 RCW;
 - (b) Commuter rail stops;

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- 8 (c) Stops on rail or fixed guideway systems, including 9 transitways;
- 10 (d) Stops on bus rapid transit routes or routes that run on high occupancy vehicle lanes; or
- 12 (e) Stops for a bus or other transit mode providing actual fixed 13 route service at intervals of at least fifteen minutes for at least 14 five hours during the peak hours of operation on weekdays.
- 15 $((\frac{(8)}{(8)}))$ "Owner" means any person who has at least 50 percent 16 ownership in a property on which an accessory dwelling unit is 17 located.
- 18 (((9))) <u>(10) "Principal unit" means the single-family housing</u> 19 <u>unit, duplex, triplex, townhome, or other housing unit located on the</u> 20 <u>same lot as an accessory dwelling unit.</u>
- 21 <u>(11)</u> "Short-term rental" means a lodging use, that is not a hotel 22 or motel or bed and breakfast, in which a dwelling unit, or portion 23 thereof, is offered or provided to a guest by a short-term rental 24 operator for a fee for fewer than 30 consecutive nights.
- NEW SECTION. Sec. 3. A new section is added to chapter 36.70A RCW to read as follows:
 - (1) (a) Cities and counties planning under this chapter must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, and other official controls the requirements of this section and of section 4 of this act, to take effect six months after the jurisdiction's next periodic comprehensive plan update required under RCW 36.70A.130.
 - (b) In any city or county that has not adopted or amended ordinances, regulations, or other official controls as required under this section, the requirements of this section and section 4 of this act supersede, preempt, and invalidate any conflicting local development regulations.
- 38 (2) Ordinances, development regulations, and other official 39 controls adopted or amended pursuant to this section and section 4 of Official Print 3 1337.E AMS ENGR S2572.E

this act must only apply in the portions of towns, cities, and counties that are within urban growth areas designated under this chapter.

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- (3) Any action taken by a city or county to comply with the requirements of this section or section 4 of this act is not subject to legal challenge under this chapter or chapter 43.21C RCW.
- (4) Nothing in this section or section 4 of this act requires or authorizes a city or county to authorize the construction of an accessory dwelling unit in a location where development is restricted under other laws, rules, or ordinances as a result of physical proximity to on-site sewage system infrastructure, critical areas, or other unsuitable physical characteristics of a property.
- 13 (5) Nothing in this section or in section 4 of this act prohibits 14 a city or county from:
- 15 (a) Restricting the use of accessory dwelling units for short-16 term rentals;
 - (b) Applying public health, safety, building code, and environmental permitting requirements to an accessory dwelling unit that would be applicable to the principal unit, including regulations to protect ground and surface waters from on-site wastewater;
 - (c) Applying generally applicable development regulations to the construction of an accessory unit, except when the application of such regulations would be contrary to this section or to section 4 of this act;
 - (d) Prohibiting the construction of accessory dwelling units on lots that are not connected to or served by public sewers; or
- (e) Prohibiting or restricting the construction of accessory dwelling units in residential zones with a density of one dwelling unit per acre or less that are within areas designated as wetlands, fish and wildlife habitats, flood plains, or geologically hazardous areas.
- NEW SECTION. Sec. 4. A new section is added to chapter 36.70A RCW to read as follows:
 - (1) In addition to ordinances, development regulations, and other official controls adopted or amended to comply with this section and section 3 of this act, a city or county must comply with all of the following policies:
- 38 (a) The city or county may not assess impact fees on the 39 construction of accessory dwelling units that are greater than 50

- 1 percent of the impact fees that would be imposed on the principal unit; 2
 - (b) The city or county may not require the owner of a lot on which there is an accessory dwelling unit to reside in or occupy the accessory dwelling unit or another housing unit on the same lot;
 - (c) The city or county must allow at least two accessory dwelling units on all lots that are located in all zoning districts within an urban growth area that allow for single-family homes in the following configurations:
- (i) One attached accessory dwelling unit and one detached 10 11 accessory dwelling unit;
 - (ii) Two attached accessory dwelling units; or

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- (iii) Two detached accessory dwelling units, which may be 13 14 comprised of either one or two detached structures;
 - (d) The city or county must permit accessory dwelling units in structures detached from the principal unit;
 - (e) The city or county must allow an accessory dwelling unit on any lot that meets the minimum lot size required for the principal unit;
 - (f) The city or county may not establish a maximum gross floor area requirement for accessory dwelling units that is less than 1,000 square feet;
 - (g) The city or county may not establish roof height limits on an accessory dwelling unit of less than 24 feet, unless the height limitation that applies to the principal unit is less than 24 feet, in which case a city or county may not impose roof height limitation on accessory dwelling units that is less than the height limitation that applies to the principal unit;
 - (h) A city or county may not impose setback requirements, yard coverage limits, tree retention mandates, restrictions on entry door locations, aesthetic requirements, or requirements for design review for accessory dwelling units that are more restrictive than those for principal units;
 - (i) A city or county must allow detached accessory dwelling units to be sited at a lot line if the lot line abuts a public alley, unless the city or county routinely plows snow on the public alley;
 - (j) A city or county must allow accessory dwelling units to be converted from existing structures, including but not limited to detached garages, even if they violate current code requirements for setbacks or lot coverage;

(k) A city or county may not prohibit the sale or other conveyance of a condominium unit independently of a principal unit solely on the grounds that the condominium unit was originally built as an accessory dwelling unit; and

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- (1) A city or county may not require public street improvements as a condition of permitting accessory dwelling units.
- (2)(a) A city or county subject to the requirements of this section may not:
- (i) Require off-street parking as a condition of permitting development of accessory dwelling units within one-half mile walking distance of a major transit stop;
- (ii) Require more than one off-street parking space per unit as a condition of permitting development of accessory dwelling units on lots smaller than 6,000 square feet before any zero lot line subdivisions or lot splits; and
- (iii) Require more than two off-street parking spaces per unit as a condition of permitting development of accessory dwelling units on lots greater than 6,000 square feet before any zero lot line subdivisions or lot splits.
 - (b) The provisions of (a) of this subsection do not apply:
- (i) If a local government submits to the department an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and the department finds and certifies, that the application of the parking limitations of (a) of this subsection for accessory dwelling units will be significantly less safe for vehicle drivers or passengers, pedestrians, or bicyclists than if the jurisdiction's parking requirements were applied to the same location for the same number of detached houses. The department must develop guidance to assist cities and counties on items to include in the study; or
- 31 (ii) To portions of cities within a one mile radius of a 32 commercial airport in Washington with at least 9,000,000 annual 33 enplanements.
- 34 (3) When regulating accessory dwelling units, cities and counties 35 may impose a limit of two accessory dwelling units, in addition to 36 the principal unit, on a residential lot of 2,000 square feet or 37 less.
- 38 (4) The provisions of this section do not apply to lots 39 designated with critical areas or their buffers as designated in RCW 40 36.70A.060, or to a watershed serving a reservoir for potable water

- 1 if that watershed is or was listed, as of the effective date of this
- 2 section, as impaired or threatened under section 303(d) of the
- 3 federal clean water act (33 U.S.C. Sec. 1313(d)).

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- 4 <u>NEW SECTION.</u> **Sec. 5.** A new section is added to chapter 36.70A 5 RCW to read as follows:
 - To encourage the use of accessory dwelling units for long-term housing, cities and counties may adopt ordinances, development regulations, and other official controls which waive or defer fees, including impact fees, defer the payment of taxes, or waive specific regulations. Cities and counties may only offer such reduced or deferred fees, deferred taxes, waivers, or other incentives for the development or construction of accessory dwelling units if:
 - (1) The units are located within an urban growth area; and
- 14 (2) The units are subject to a program adopted by the city or 15 county with effective binding commitments or covenants that the units 16 will be primarily utilized for long-term housing consistent with the 17 public purpose for this authorization.
- 18 **Sec. 6.** RCW 43.21C.495 and 2022 c 246 s 3 are each amended to 19 read as follows:
 - (1) Adoption of ordinances, development regulations and amendments to such regulations, and other nonproject actions taken by a city to implement: The actions specified in section 2, chapter 246, Laws of 2022 unless the adoption of such ordinances, development regulations and amendments to such regulations, or other nonproject actions has a probable significant adverse impact on fish habitat; and the increased residential building capacity actions identified in RCW 36.70A.600(1), with the exception of the action specified in RCW 36.70A.600(1)(f), are not subject to administrative or judicial appeals under this chapter.
- 30 (2) Adoption of ordinances, development regulations and
 31 amendments to such regulations, and other nonproject actions taken by
 32 a city or county consistent with the requirements of sections 3 and 4
 33 of this act are not subject to administrative or judicial appeals
 34 under this chapter.
- 35 **Sec. 7.** RCW 36.70A.280 and 2011 c 360 s 17 are each amended to 36 read as follows:

1 (1) The growth management hearings board shall hear and determine only those petitions alleging either: 2

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- (a) That, except as provided otherwise by this subsection, a state agency, county, or city planning under this chapter is not in compliance with the requirements of this chapter, chapter 90.58 RCW as it relates to the adoption of shoreline master programs or amendments thereto, or chapter 43.21C RCW as it relates to plans, development regulations, or amendments, adopted under RCW 36.70A.040 or chapter 90.58 RCW. Nothing in this subsection authorizes the board to hear petitions alleging noncompliance ((with RCW 36.70A.5801)) based on a city or county's actions taken to implement the requirements of sections 3 and 4 of this act within an urban growth <u>area</u>;
- 14 That the ((twenty-)) 20-year growth management planning population projections adopted by the office of financial management 15 16 pursuant to RCW 43.62.035 should be adjusted;
 - That the approval of a work plan adopted under RCW 36.70A.735(1)(a) is not in compliance with the requirements of the program established under RCW 36.70A.710;
 - (d) That regulations adopted under RCW 36.70A.735(1)(b) are not regionally applicable and cannot be adopted, wholly or partially, by another jurisdiction; or
- (e) That a department certification under RCW 36.70A.735(1)(c) is 23 24 erroneous.
 - (2) A petition may be filed only by: (a) The state, or a county or city that plans under this chapter; (b) a person who has participated orally or in writing before the county or city regarding the matter on which a review is being requested; (c) a person who is certified by the governor within ((sixty)) 60 days of filing the request with the board; or (d) a person qualified pursuant to RCW 34.05.530.
- 32 (3) For purposes of this section "person" means any individual, partnership, corporation, association, state agency, governmental 33 subdivision or unit thereof, or public or private organization or 34 35 entity of any character.
- 36 (4) To establish participation standing under subsection (2)(b) of this section, a person must show that his or her participation 37 before the county or city was reasonably related to the person's 38 39 issue as presented to the board.

(5) When considering a possible adjustment to a growth management planning population projection prepared by the office of financial management, the board shall consider the implications of any such adjustment to the population forecast for the entire state.

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The rationale for any adjustment that is adopted by the board must be documented and filed with the office of financial management within ten working days after adoption.

If adjusted by the board, a county growth management planning population projection shall only be used for the planning purposes set forth in this chapter and shall be known as the "board adjusted population projection." None of these changes shall affect the official state and county population forecasts prepared by the office of financial management, which shall continue to be used for state budget and planning purposes.

- NEW SECTION. Sec. 8. A new section is added to chapter 36.70A RCW to read as follows:
- 17 (1) By December 31, 2023, the department must revise its 18 recommendations for encouraging accessory dwelling units to include 19 the provisions of sections 3 and 4 of this act.
- 20 (2) During each comprehensive plan review required by RCW 36.70A.130, the department must review local government comprehensive plans and development regulations for compliance with sections 3 and 4 of this act and the department's recommendations under subsection (1) of this section.
- NEW SECTION. Sec. 9. A new section is added to chapter 64.34 RCW to read as follows:
 - (1) Except a declaration created to protect public health and safety, and ground and surface waters from on-site wastewater, a declaration created after the effective date of this section and applicable to a property located within an urban growth area may not impose any restriction or prohibition on the construction, development, or use on a lot of an accessory dwelling unit that the city or county in which the urban growth area is located would be prohibited from imposing under section 4 of this act.
- 35 (2) For the purposes of this section, "urban growth area" has the same meaning as in RCW 36.70A.030.
 - (3) A city or county issuing a permit for the construction of an accessory dwelling unit may not be held civilly liable on the basis

- that the construction of the accessory dwelling unit would violate a restrictive covenant or deed restriction.
- 3 <u>NEW SECTION.</u> **Sec. 10.** A new section is added to chapter 64.32 4 RCW to read as follows:
- 5 (1) Except a declaration created to protect public health and safety, and ground and surface waters from on-site wastewater, a 6 declaration created after the effective date of this section and 7 applicable to a property located within an urban growth area may not 8 any restriction or prohibition on the construction, 9 development, or use on a lot of an accessory dwelling unit that the 10 city or county in which the urban growth area is located would be 11 prohibited from imposing under section 4 of this act. 12
- 13 (2) For the purposes of this section, "urban growth area" has the same meaning as in RCW 36.70A.030.
- 15 (3) A city or county issuing a permit for the construction of an 16 accessory dwelling unit may not be held civilly liable on the basis 17 that the construction of the accessory dwelling unit would violate a 18 restrictive covenant or deed restriction.
- NEW SECTION. Sec. 11. A new section is added to chapter 64.38 RCW to read as follows:

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- (1) Except governing documents of associations created to protect public health and safety, and ground and surface waters from on-site wastewater, governing documents of associations created after the effective date of this section and applicable to a property located within an urban growth area may not impose any restriction or prohibition on the construction, development, or use on a lot of an accessory dwelling unit that the city or county in which the urban growth area is located would be prohibited from imposing under section 4 of this act.
- (2) For the purposes of this section, "urban growth area" has the same meaning as in RCW 36.70A.030.
- 32 (3) A city or county issuing a permit for the construction of an 33 accessory dwelling unit may not be held civilly liable on the basis 34 that the construction of the accessory dwelling unit would violate a 35 restrictive covenant or deed restriction.
- NEW SECTION. Sec. 12. A new section is added to chapter 64.90 RCW to read as follows:

- (1) Except declarations and governing documents of common interest communities created to protect public health and safety, and ground and surface waters from on-site wastewater, declarations and governing documents of common interest communities created after the effective date of this section and applicable to a property located within an urban growth area may not impose any restriction or prohibition on the construction, development, or use on a lot of an accessory dwelling unit that the city or county in which the urban growth area is located would be prohibited from imposing under section 4 of this act.
- (2) For the purposes of this section, "urban growth area" has the same meaning as in RCW 36.70A.030.
- 13 (3) A city or county issuing a permit for the construction of an 14 accessory dwelling unit may not be held civilly liable on the basis 15 that the construction of the accessory dwelling unit would violate a 16 restrictive covenant or deed restriction.
- NEW SECTION. Sec. 13. The following acts or parts of acts are each repealed:
 - (1) RCW 35.63.210 (Accessory apartments) and 1993 c 478 s 8;
 - (2) RCW 35A.63.230 (Accessory apartments) and 1993 c 478 s 9;
- 21 (3) RCW 36.70A.400 (Accessory apartments) and 1993 c 478 s 11;
- 22 (4) RCW 36.70.677 (Accessory apartments) and 1993 c 478 s 10; and
- 23 (5) RCW 43.63A.215 (Accessory apartments—Development and placement—Local governments) and 1993 c 478 s 7."

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25 On page 1, line 2 of the title, after "units;" strike the 26 remainder of the title and insert "amending RCW 27 43.21C.495, and 36.70A.280; adding new sections to chapter 36.70A RCW; adding a new section to chapter 64.34 RCW; adding a new section 28 29 to chapter 64.32 RCW; adding a new section to chapter 64.38 RCW; adding a new section to chapter 64.90 RCW; creating a new section; 30 31 and repealing RCW 35.63.210, 35A.63.230, 36.70A.400, 36.70.677, and 32 43.63A.215."