

HOUSE BILL REPORT

HB 1757

As Amended by the Senate

Title: An act relating to modifying regulations for existing buildings used for residential purposes.

Brief Description: Modifying regulations for existing buildings used for residential purposes.

Sponsors: Representatives Walen, Fitzgibbon, Parshley, Paul, Ramel and Reed.

Brief History:

Committee Activity:

Housing: 2/6/25, 2/13/25 [DP].

Floor Activity:

Passed House: 3/5/25, 95-2.

Senate Amended.

Passed Senate: 4/2/25, 48-1.

Brief Summary of Bill

- Extends allowances for existing buildings to be used for residential purposes in commercial and mixed-use zones to existing buildings in residential zones.
- Prohibits a city from requiring a change of use permit for the conversion of an existing building to residential purposes.
- Exempts portions of an existing building to be used for residential purposes from State Energy Code requirements if certain conditions are met.

HOUSE COMMITTEE ON HOUSING

Majority Report: Do pass. Signed by 16 members: Representatives Peterson, Chair; Hill, Vice Chair; Richards, Vice Chair; Low, Ranking Minority Member; Jacobsen, Assistant

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.

Ranking Minority Member; Manjarrez, Assistant Ranking Minority Member; Barkis, Connors, Engell, Entenman, Gregerson, Lekanoff, Reed, Thomas, Timmons and Zahn.

Minority Report: Without recommendation. Signed by 1 member: Representative Dufault.

Staff: Serena Dolly (786-7150).

Background:

State Energy Code.

The State Building Code Council (Council) is a state agency responsible for the adoption of the State Building Code (Code). The Code establishes the minimum requirements and standards for buildings and facilities constructed in the state. The Council also adopts the State Energy Code (Energy Code), which is designed to require the construction of increasingly energy efficient homes and buildings.

State Energy Performance Standard.

The State Energy Performance Standard (Standard), often referred to as the Clean Buildings Performance Standard, requires the Department of Commerce (Commerce) to establish rules for energy performance standards for certain existing commercial buildings, to collect data on compliance, and to report on outcomes. The Standard includes energy use intensity targets by building type, as well as requirements for an energy management plan, operations and maintenance program, energy efficiency audits, and investments in energy efficiency measures.

Existing Buildings Used for Residential Purposes.

No later than six months after its first comprehensive plan update due after July 23, 2023, a city must amend its land use regulations to comply with requirements for existing buildings to be used for residential purposes in commercial or mixed-use zones. The amended land use regulations may not impose:

- permitting requirements beyond those requirements generally applicable to all residential development within the building's zone;
- current Energy Code requirements for unchanged portions of the building solely due to the addition of housing units; however, if any portion of an existing building is converted to new dwelling units, each of those new units must meet the requirements of the current Energy Code;
- restrictions on housing unit density that prevent the addition of housing at a density up to 50 percent more than what is allowed in the underlying zone if constructed entirely within an existing building envelope;
- parking requirements due to the addition of housing units;
- design standard requirements, including setbacks, lot coverage, and floor area ratio requirements beyond those generally applicable to all residential development within the building's zone;

- exterior design or architectural requirements beyond those necessary for the health and safety of the use of the interior of the building or to preserve character-defining streetscapes, unless the building is a designated landmark or is within a historic district established through a local preservation ordinance;
- prohibitions on the addition of housing units in any specific part of a building except ground floor commercial or retail that is along a major pedestrian corridor; or
- a transportation concurrency or State Environmental Policy Act study.

Summary of Bill:

The allowances for existing buildings to be used for residential purposes in commercial and mixed-use zones are extended to existing buildings in residential zones. A city may not require a change of use permit for the conversion of an existing building to residential purposes. Any portion of an existing building to be used for residential purposes is exempt from current Energy Code requirements if:

- the square footage of new dwelling units does not exceed 2,500 square feet or 25 percent of the total building square footage, whichever is greater;
- the building owner submits documentation showing that the projected energy use intensity of the new residential units is less than or equal to the energy use intensity target in the Standard; or
- in all areas zoned for residential housing, an additional housing unit is created within an existing home or a home's accessory building.

Cities must comply with the requirements for existing buildings to be used for residential housing no later than June 30, 2026.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment specifies that cities may not require unchanged portions of an existing building that has been used for residential purposes or previously permit-approved conditioned space purposes to meet the current Energy Code solely because of the addition of new dwelling units within the building.

The Senate amendment requires only the changed portions of new residential units in an existing building to meet current Energy Code requirements unless it qualifies for an exemption. The Senate amendment modifies the exemption based on size of the new units from the greater of 2,500 square feet or 25 percent of the total building square footage to the greater of 2,500 square feet or 50 percent of the total building square footage. The Senate amendment also removes creation of a single housing unit within an existing home's accessory building from the exemptions.

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) After the pandemic, the nature of work changed, and now empty and underutilized buildings in our communities could quickly be converted to housing for families. At the same time, the landfills are full of construction material, and long permit times and permit uncertainty serve as impediments to developing housing. The Energy Code has been a barrier to converting existing buildings because they are subject to the current Energy Code when converted to housing. This makes it very expensive and infeasible for a project to move forward. While it may sound like a good idea to update converted buildings to the current Energy Code, it can mean replacing an entire centralized heating system just to add a few more apartments or tearing down walls to add insulation. The net benefits of adding housing to existing buildings almost always outweighs the small gain in energy efficiency from code updates. Adaptive reuse of existing buildings is a way to reduce embodied carbon costs and transportation carbon emissions.

(Opposed) None.

Persons Testifying: Representative Amy Walen, prime sponsor; Angela Rozmyn, Natural and Built Environments; and Dan Bertolet, Sightline Institute.

Persons Signed In To Testify But Not Testifying: None.