
Housing Committee

HB 1859

Brief Description: Expanding opportunities for affordable housing developments on properties owned by religious organizations.

Sponsors: Representatives Salahuddin, Peterson, Doglio, Parshley, Dufault, Leavitt, Reed, Gregerson, Nance, Street, Obras, Ormsby, Hill, Timmons and Duerr.

Brief Summary of Bill

- Decreases the amount of affordable units required to qualify for a density bonus for affordable housing developed on property owned by a religious organization.
- Requires certain cities and counties to develop policies to implement a density bonus if it receives a request from a religious organization.
- Allows an entity leasing a property owned by a religious organization to qualify for the sales and use tax deferral for the conversion of a commercial building into affordable housing.

Hearing Date: 2/13/25

Staff: Serena Dolly (786-7150).

Background:

Planning Options for Cities and Counties.

Planning enabling statutes allow cities and counties, at their option, to adopt comprehensive plans, zoning ordinances, and other official controls regulating land uses within their boundaries. Such regulations may generally include:

- the location and the use of buildings, structures, and land for residences, industry, trade, and other purposes;

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- the height, construction, and design of buildings and structures;
- the size of yards, open spaces, lots, and tracts;
- the density of population;
- the set-back of buildings;
- the subdivision and development of land; and
- adoption of standard building codes and fire regulations.

These regulations form parts of a comprehensive plan that must prepare for the physical and generally advantageous development of the city or county and be designed to encourage the most appropriate uses of land.

Other cities and counties are required, or have elected, to adopt comprehensive plans under the Growth Management Act (GMA). The GMA establishes land use designation and environmental protection requirements for all cities and counties. The GMA also establishes a significantly wider array of planning duties for 28 counties, and the cities within those counties, that are obligated to satisfy all planning requirements of the GMA. These jurisdictions are sometimes said to be fully planning under the GMA. The GMA directs fully planning jurisdictions to adopt internally consistent comprehensive land use plans that are generalized, coordinated land use policy statements of the governing body. Comprehensive plans are implemented through locally adopted development regulations.

Generally, a density bonus is a zoning tool used by cities and counties in which they allow a developer to build more housing units, taller buildings, or more floor space than normally allowed, in exchange for provision of a defined public benefit, such as a specified number or percentage of affordable housing units. A fully planning city or county may enact or expand an affordable housing incentive program that may include density bonuses in the urban growth area.

Density Bonus for Property Owned by a Religious Organization.

A fully planning city or county, or a city planning under the planning-enabling statutes, must allow an increased density bonus for any single-family or multifamily development located on property owned or controlled by a religious organization if:

- 100 percent of the units are set aside for or occupied by low-income households with an income that is less than 80 percent of median income; and
- The affordable housing development is part of a lease or other binding obligation that requires it to be used exclusively for affordable housing for at least fifty years.

A fully planning city or county, or a city planning under the planning-enabling statutes, may develop policies to implement the density bonus if it receives a request from a religious organization for an increased density bonus.

Sales Tax Deferral for Existing Structures.

A city or town may establish a sales and use tax deferral for the conversion of a commercial building into affordable housing. The owner of the property must apply to the city or town for the deferral. To qualify, the project must:

- consist primarily of multifamily housing units;
- maintain at least 10 percent of units as affordable housing for rental or sale to low-income households;
- meet any additional affordability, income eligibility, or other conditions adopted by the city;
- be an underutilized commercial property in a residential or mixed-use zone;
- conform to all local plans and regulations; and
- not be acquired through a condemnation proceeding.

If the project maintains the qualifications for at least ten years, the deferred sales and use taxes do not need to be repaid.

Summary of Bill:

Summary

To qualify for a density bonus, affordable housing developed on property owned by a religious organization must maintain at least 20 percent of the development as affordable housing for low-income households. A planning city or county may establish policies to require a greater amount of affordable housing for a property to qualify for a density bonus.

A fully planning city or county, or a city planning under the planning-enabling statutes, must develop policies to implement a density bonus if it receives a request from a religious organization.

An entity leasing a property owned by a religious organization is eligible for the sales and use tax deferral for the conversion of a commercial building into affordable housing.

Appropriation: None.

Fiscal Note: Requested on February 7, 2025.

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