

SENATE BILL REPORT

E2SHB 1096

As of March 14, 2025

Title: An act relating to increasing housing options through lot splitting.

Brief Description: Increasing housing options through lot splitting.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Barkis, Ryu, Connors, Leavitt, Klicker, Reed, Fitzgibbon, Richards, Couture, Macri, Callan, Doglio, Bronoske, Tharinger, Wylie, Duerr, Timmons, Ormsby, Fosse, Stonier, Bernbaum and Hill).

Brief History: Passed House: 3/6/25, 93-4.

Committee Activity: Housing: 3/14/25.

Brief Summary of Bill

- Requires cities subject to middle housing minimum residential density requirements to establish a process for review and approval of an administrative lot split, which may be combined with concurrent review of a residential building permit for new single-family or middle housing.

SENATE COMMITTEE ON HOUSING

Staff: Benjamin Omdal (786-7442)

Background: Growth Management Act. The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. The GMA establishes land use designation and environmental protection requirements for all Washington counties and cities. 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.

The GMA directs fully planning jurisdictions to adopt internally consistent comprehensive

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land use plans. Comprehensive plans are implemented through locally adopted development regulations, and both the plans and the local regulations are subject to review and revision requirements prescribed in the GMA.

Counties that fully plan under the GMA are required to designate urban growth areas (UGAs) within their boundaries sufficient to accommodate a planned 20-year population projection range provided by the Office of Financial Management. Each city located within a planning county must be included within a UGA. Urban growth must be encouraged within the UGAs, and only growth that is not urban in nature can occur outside of the UGAs.

Middle Housing Minimum Density Requirements. No later than six months after its next required comprehensive plan update, fully planning cities meeting population requirements must allow for the development of a minimum number of units on all residential lots as follows:

- cities with a population of at least 75,000 must allow at least four units on all residential lots, at least six units on all residential lots within 0.25 miles walking distance of a major transit stop, and at least six units if two are affordable housing;
- cities with a population of at least 25,000 but less than 75,000 must allow at least two units on all residential lots, at least four units on all residential lots within 0.25 miles walking distance of a major transit stop, and at least four units if one unit is affordable housing; and
- cities with a population of less than 25,000, within a contiguous UGA with the largest city in a county with a population of more than 275,000, must allow two units on all residential lots.

Cities must allow at least six types of middle housing and may allow accessory dwelling units to achieve the minimum density requirements. Middle housing is defined as buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached, stacked, or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing.

Project Permit Process. Before developing land, a developer must obtain permits from the local government allowing the development. These permits can include land use permits, environmental permits, building permits, and others, and are known as project permits. When a county or city planning under the GMA is reviewing a project, its comprehensive plan and development regulations must serve as the basis for the project permit review.

Summary of Bill: Cities required to comply with the middle housing minimum density requirements must include in their development regulations a process for an applicant to seek review and approval of an administrative lot split, which may be combined with concurrent review of a residential building permit for new single-family or middle housing. The application process may only require an administrative decision through which the application is reviewed and approved or denied by the planning director or other designee

without a pre-decision public hearing.

A new buildable lot and residential building permit must be approved and is not subject to administrative appeal if:

- the planning director or other designee determines that the lot split and building permit comply with all applicable development regulations;
- no more than one newly created lot is created through the lot split;
- both the parent lot and the newly created lot meet minimum size requirements;
- the parent lot was not created through the splitting of a residential lot;
- the parent lot is located in a residential zone;
- the applicant recommends a displacement mitigation strategy if the demolition or alteration of any existing housing displaces a renter;
- the applicable sewer and water purveyors have issued certificates of availability to serve the newly created lot and dwelling unit; and
- access and utility rights for the maximum number of dwelling units that could be developed on the newly created lot have been granted or conveyed.

The newly created lot must meet any locally adopted minimum density requirements. A city may not impose a limit on the number of dwelling units allowed on the parent lot or newly created lot that is less than the number of dwelling units allowed by the underlying zoning of the parent lot prior to the lot split.

Any construction on the newly created lot is subject to all existing state and local laws, including the State Building Code, unless otherwise specified. Lots that are not buildable according to locally adopted developments regulations, including, but not limited to, critical areas, shorelines, stormwater, setbacks, impervious surface areas, and building coverage standards, are not eligible for a lot split.

Parent lots and newly created lots approved must have a lot split survey recorded with the county assessor with a notation that future lot splits are not allowed on the lot. If a lot split results in a lot of a size that would allow for further land division, the lot may be divided under other land subdivision processes.

Ordinances adopted to comply with lot splitting requirements are not subject to administrative or judicial appeal under the State Environmental Policy Act. Cities are immune from any liability, loss, or other damage suffered by another that is related to the city's approval of a lot split, including if the lot split creates a lot that is later determined to not be buildable.

The Department of Commerce must develop implementation guidance for cities.

A city with a comprehensive plan update due in 2027 must comply with the lot splitting requirements in that update. All other cities must comply with the requirements within two years of the effective date of the bill.

Appropriation: The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act.

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 will have a major impact on housing supply. The most important thing about this process is that if you go through the whole process, you will end up with a buildable lot. The bill addresses items that have come up in previous years, including water, sewer, critical areas, and parking. The goal of the bill is to create lots in middle housing jurisdictions to build homes that are able to be sold. This is a homeowner-friendly process so that there is a single process for splitting lots and building. The bill would lower costs for first-time homeowner opportunities and allow older residents to age in place. This bill resolves the uncertainty around lot splitting from previous middle housing legislation. The bill is a good compromise between stakeholders and concerned parties. This bill provides flexibility to build smaller homes and addresses historical racial inequities. Lot splitting would allow for seniors to age-in-place by providing them with the means to upgrade their homes.

OTHER: The bill will allow for development in critical aquifer recharge areas that would not be allowed in other critical areas, increasing pollution in these areas.

Persons Testifying: PRO: Representative Andrew Barkis, Prime Sponsor; Ethan Robinson, Habitat for Humanity Seattle-King & Kittitas Counties; Bill Clarke, Washington REALTORS; Ruby Holland; Dan Bertolet, Sightline Institute; Andrea Smiley, Building industry association of Washington ; Amina Abdalla, City of Redmond and Kent.

OTHER: Dave Andersen, Washington Department of Commerce; Joren Clowers, Sno-King Water District Coalition.

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