

SENATE BILL REPORT

HB 1757

As Reported by Senate Committee On:
Housing, March 21, 2025

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

Committee Activity: Housing: 3/14/25, 3/21/25 [DPA].

Brief Summary of Amended 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.

SENATE COMMITTEE ON HOUSING

Majority Report: Do pass as amended.

Signed by Senators Bateman, Chair; Alvarado, Vice Chair; Goehner, Ranking Member; Gildon, Orwall, Salomon and Trudeau.

Staff: Benjamin Omdal (786-7442)

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.

Background: State Building Code. The State Building Code establishes minimum performance standards and requirements for construction and construction materials in the state, consistent with accepted standards of engineering, fire, and life safety. The State Building Code comprises a number of model codes and standards, developed and published by international and national organizations, which are adopted by reference in the State Building Code Act (Act). Model codes and standards adopted in the Act include, among others, the State Energy Code, which is designed to require the construction of increasingly energy efficient homes and buildings.

The State Building Code Council (Council) is responsible for adopting, amending, and maintaining the model codes and standards adopted by reference in the Act.

State Energy Performance Standard. The State Energy Performance Standard (Standard), often referred to as the Clean Buildings Performance Standard, requires the Department of 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 State 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 State 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 Amended 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.

In addition to unchanged portions of an existing building used for residential purposes, cities may not require unchanged portions of an existing building that have been used for previously permit-approved conditioned space purposes to meet the State Energy Code solely because of the addition of new dwelling units within the building. When any other existing building is converted to new dwelling units, changed portions of each of those new units must meet State Energy Code requirements except if:

- the square footage of new dwelling units does not exceed 2500 square feet or 50 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 HOUSING COMMITTEE AMENDMENT(S):

- Specifies that cities may not require unchanged portions of an existing building that has been used for previously permit-approved conditioned space purposes to meet the energy code solely because of the addition of new dwelling units within the building.
- Requires changed portions of new units in an existing building to meet current energy code requirements unless certain conditions are met.
- Removes creating a single housing unit within an existing home's accessory building from the exceptions to current energy code requirements.
- Changes the exemption from current energy code requirements for changed portions of new dwelling units from the greater of 2500 square feet or 25 percent of the total building square footage to the greater of 2500 square feet or 50 percent of the total building square footage.

Appropriation: None.

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 on House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Even before the pandemic, we had empty or unused buildings in the state. The Legislature has taken steps to convert unused buildings into housing. It is important to convert our existing buildings into housing in a way that utilizes less carbon than new construction. This bill corrects language from previous legislation that made upgrading buildings cost-prohibitive. A building with more units is better than a small amount of increased energy efficiency. Conversions of existing spaces into residential units has resulted in the creation of more units in other states.

Persons Testifying: PRO: Representative Amy Walen, Prime Sponsor; Alda Howard, Avalon Bay Communities + NAIOP WA State; Dan Bertolet, Sightline Institute.

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