H-1631.1

## SECOND SUBSTITUTE HOUSE BILL 1096

## State of Washington 69th Legislature 2025 Regular Session

**By** House 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)

READ FIRST TIME 02/21/25.

1 AN ACT Relating to increasing housing options through lot 2 splitting; adding a new section to chapter 58.17 RCW; and creating a 3 new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. The legislature finds that allowing an 5 Sec. 1. 6 existing residential lot to be split to create a new residential lot 7 through a simple, administrative process can offer many advantages to both the existing homeowner and to prospective homebuyers. The 8 legislature further finds that administrative lot splitting can 9 provide current owners the opportunity to maintain homeownership in 10 11 changing life circumstances while facilitating development of middle housing to provide homebuyers, including first-time homebuyers, with 12 more affordable ownership opportunities. The legislature also finds 13 14 that lot splitting can be combined with the review of a residential 15 building permit application to create a single integrated process 16 benefiting both homeowners and cities. Therefore, it is the intent of 17 the legislature to ease restrictions on, and expand opportunities 18 for, lot splitting in certain cities planning under chapter 36.70A 19 RCW, the growth management act.

1NEW SECTION.Sec. 2.A new section is added to chapter 58.172RCW to read as follows:

(1) Cities required to comply with the minimum density 3 requirements under RCW 36.70A.635 shall include in their development 4 or subdivision regulations a process through which an applicant can 5 6 seek simultaneous review and approval of an administrative lot split 7 and residential building permit to create new middle housing, as defined in RCW 36.70A.030, or single-family housing. The application 8 process for a residential lot to be split may require only an 9 administrative decision, through which the application is reviewed, 10 11 approved, or denied by the planning director or other designee based 12 on applicable development standards without a predecision public hearing. A new buildable residential lot and residential building 13 permit or permits must be administratively approved and are not 14 15 subject to administrative appeal if they comply with applicable 16 development standards and the following conditions are met:

17 (a) No more than one newly created lot is created through the 18 administrative lot split;

19 (b) Both the parent lot and the newly created lot meet the 20 minimum lot size allowed under applicable development regulations;

(c) The parent lot was not created through the splitting of a residential lot authorized by this section;

(d) The parent lot is located in a residential zone and not in an exclusively nonresidential zone including, but not limited to, zones that are exclusively commercial, retail, agricultural, or industrial;

(e) If the lot split would require demolition or alteration of any existing housing that would displace a renter, the applicant must recommend a displacement mitigation strategy that may include, but is not limited to, relocation assistance;

30 (f) The applicable sewer and water purveyors have issued 31 certificates of availability to serve the newly created lot and 32 dwelling unit;

33 (g) Access and utility rights are granted or conveyed as necessary on or before recording of the lot split survey to provide 34 access for the maximum number of dwelling units that could be 35 developed on the newly created lot, provided such access rights may 36 be reduced consistent with a city's adopted codes, regulations, or 37 design standards as applicable through review of a subsequent 38 39 application for a building permit, short subdivision, unit lot 40 subdivision, subdivision application, or short subdivision if less

2SHB 1096

1 than the maximum number of dwelling units are built on the newly 2 created lot;

3 (h) The planning director or other designee determines that the 4 application follows all applicable development regulations; and

5 (i) The lot split survey has been approved by the planning 6 director or other designee and includes a condition on the face of 7 the survey that further lot splits of the parent lot and newly 8 created lot are not authorized by this section.

9 (2) A proposed lot split may be conditioned upon dedication of 10 right-of-way on the parent lot to the extent such dedication is 11 required under applicable codes, regulations, and design standards 12 for the development, short plat, or subdivision of the parent lot 13 absent an administrative lot split.

14 (3) Development of dwellings on the newly created lot may be 15 conditioned upon construction of frontage improvements to a right-of-16 way adjacent to either the parent lot or the newly created lot to the 17 extent required under applicable codes, regulations, and design 18 standards.

19 (4) Any construction on the newly created lot is subject to all 20 existing state and local laws including those specified in this 21 section. Nothing in this section modifies the requirements for 22 approval of residential building permits in chapter 19.27 RCW.

(5) A city subject to the requirements of this section may not impose a limit on the total 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 administrative lot split.

(6) Notwithstanding the provisions of this section, lots that are not buildable according to locally adopted development 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 under this section.

(7) If a lot split results in a lot of a size that would allow
for further land division, the lot is not eligible for a lot split
but may be divided under other applicable land subdivision processes.

36 (8) The newly created lots must meet any locally adopted minimum 37 density requirements.

38 (9) Cities are immune from any liability, loss, or other damage 39 suffered by another that is related to the city's approval of a lot

split under this act, including if the lot split creates a lot that
 is later determined to not be buildable.

3 (10) Parent lots and newly created lots approved under this 4 section must be recorded with the county assessor with a notation 5 that future lot splits are not allowed on the lot.

6 (11) Ordinances adopted to comply with this section are not 7 subject to administrative or judicial appeal under chapter 43.21C 8 RCW.

9 (12) The department of commerce must develop guidance for cities 10 in implementing the lot splitting requirements.

11 (13) A city required to comply with the requirements of this 12 section that has its next comprehensive plan update due in 2027, pursuant to RCW 36.70A.130, must adopt or amend by ordinance, and 13 incorporate into its development regulations, zoning regulations, and 14 other official controls, the requirements of this section in its next 15 16 comprehensive plan update. All other cities required to comply with 17 this section must implement the requirements within two years of the effective date of this section. 18

19 (14) For the purposes of this section, the following definitions 20 apply unless the context clearly requires otherwise:

(a) "Lot split" means the administrative process of dividing an
 existing lot into two lots for the purpose of sale, lease, or
 transfer of ownership pursuant to this section.

(b) "Lot split survey" means the final survey prepared for filing for record with the county auditor and containing all elements and requirements for a lot split under this section and any local regulations.

28 (c) "Newly created lot" means a lot that was created by a lot 29 split under this section.

30 (d) "Parent lot" means a lot that is subjected to a lot split 31 under this section.

32 <u>NEW SECTION.</u> Sec. 3. If specific funding for the purposes of 33 this act, referencing this act by bill or chapter number, is not 34 provided by June 30, 2025, in the omnibus appropriations act, this 35 act is null and void.

--- END ---