

SENATE BILL REPORT

SB 6196

As Reported By Senate Committee On:
Land Use & Planning, February 2, 2004

Title: An act relating to restoring the American dream by allowing single-family residential development outside urban growth areas in counties where the first-time home buyers housing affordability index shows that housing is not affordable.

Brief Description: Allowing single-family residential development outside urban growth areas in areas where housing is not affordable for first-time buyers.

Sponsors: Senators Benton, T. Sheldon and Mulliken.

Brief History:

Committee Activity: Land Use & Planning: 1/29/04, 2/2/04 [DPS, DNP].

SENATE COMMITTEE ON LAND USE & PLANNING

Majority Report: That Substitute Senate Bill No. 6196 be substituted therefor, and the substitute bill do pass.

Signed by Senators Mulliken, Chair; Morton, Murray and T. Sheldon.

Minority Report: Do not pass.

Signed by Senator Kline.

Staff: Genevieve Pisarski (786-7488)

Background: There is concern that growth management regulations contribute to the high cost of housing in many counties.

Summary of Substitute Bill: The Legislature declares its intent to increase the density at which residential development is allowed outside of urban growth areas in counties where housing is determined not to be affordable for first-time home buyers.

A definition of "first time buyer housing affordability index" is adopted and means the index used by the Washington Center for Real Estate Research to measure the ability of a typical renter household to purchase a typical starter home based on certain assumptions relating to the median price of homes, mortgage terms, and household earnings.

Based on the first time buyer housing affordability index, a county that plans under the Growth Management Act is authorized to allow single-family residential development of any density outside an urban growth area for two years. This development must not be considered urban growth, and services must not be considered urban services.

Any county that plans under the Growth Management Act is authorized to change its comprehensive plan and development regulations in response to, or contingent upon, the first time buyer housing affordability index to provide new locations for increased density.

Criteria for when the first time buyer housing affordability index is measured and when changes in response to it can be made are also adopted.

Substitute Bill Compared to Original Bill: A technical correction is made to the definition of the first-time buyer housing affordability index.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Housing is now out of the reach of first-time home buyers. Studies show that land use restrictions increase the cost of housing. Counties not planning under the Growth Management Act show a lower rate of increase.

Testimony Against: None.

Testified: Andy Cook, Building Industry Association of WA (pro); Vivian Henderson, Kitsap Alliance of Property Owners (pro).