
HOUSE BILL 2937

State of Washington 59th Legislature 2006 Regular Session

By Representatives Dunn, Holmquist, Schindler, Miloscia, McCune, Condotta and Kristiansen

Read first time 01/17/2006. Referred to Committee on Local Government.

1 AN ACT Relating to restoring the American dream by allowing single-
2 family residential development outside urban growth areas in counties
3 where the first-time home buyers housing affordability index shows that
4 housing is not affordable; adding new sections to chapter 36.70A RCW;
5 and creating a new section.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that first-time home
8 buyers in Washington state have been priced out of the housing market
9 in many counties. The legislature finds that many organizations,
10 including local governments, have recognized the affordable housing
11 crisis for first-time home buyers. The legislature finds that, for
12 example, as reported in King county's benchmark growth report, "buying
13 a first home remains extremely difficult for those under one hundred
14 twenty percent of median income." The legislature further finds that
15 growth management regulations contribute to the high cost of housing in
16 many Washington counties, and that loosening land use regulations will
17 reduce housing prices. The legislature finds that numerous studies
18 have determined that growth management restrictions increase the cost
19 of housing.

1 The legislature intends to make housing more affordable for first-
2 time home buyers in counties where housing is currently not affordable
3 for first-time home buyers. The legislature intends to do this by
4 allowing single-family detached residential development to be placed
5 outside of urban growth boundaries at density levels currently
6 prohibited under the prevailing interpretation of the growth management
7 act. These single-family detached homes could be placed outside of
8 urban growth boundaries in counties where the first-time buyer housing
9 affordability index demonstrates that housing is not affordable for
10 first-time home buyers.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A RCW
12 to read as follows:

13 (1) As used in this chapter, "first-time buyer housing
14 affordability index" means the index determined by the Washington
15 center for real estate research that measures the ability of a typical
16 renter household to afford the purchase of a typical starter home by
17 assuming: (a) The household will purchase a home priced at eighty-five
18 percent of area median household income with a ten percent down
19 payment; (b) the home mortgage loan is for a term of thirty years at
20 the prevailing average fixed rate of interest; (c) the potential first-
21 time home buyer earns seventy percent of the area median household
22 income and twenty-five percent of household income can be used for
23 principal and interest payments.

24 (2) For purposes of this chapter, a first-time buyer housing
25 affordability index of: (a) One hundred indicates that a household of
26 the defined income can afford a home of the defined price; (b) less
27 than one hundred indicates that a household of the defined income
28 cannot afford a home of the defined price without spending more than
29 twenty-five percent of their income on mortgage payments; and (c)
30 greater than one hundred indicates that a household of the defined
31 income can afford a home of the defined price while spending less than
32 twenty-five percent of their income on mortgage payments.

33 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A RCW
34 to read as follows:

35 (1)(a) In any county planning under RCW 36.70A.040 in which the
36 first-time buyer housing affordability index, as defined by section 2

1 of this act, and as determined by the Washington center for real estate
2 research at Washington State University, is less than one hundred for
3 three quarters in any given year, for the following two years the
4 county may permit single-family detached residential development of any
5 density outside the urban growth area designated according to RCW
6 36.70A.110. For purposes of this chapter, single-family detached
7 residential development authorized according to this section shall not
8 be considered urban growth located outside of an urban growth area.
9 Services provided to single-family detached residential development
10 permitted under this section shall not be considered urban services
11 located outside of an urban growth area.

12 (b) Any county planning under RCW 36.70A.040 implementing (a) of
13 this subsection may:

14 (i) Change its comprehensive plan and development regulations after
15 the determination in (a) of this subsection has been made by the
16 Washington center for real estate research to provide new locations for
17 or increased density of single-family detached residential development
18 as provided for in (a) of this subsection; or

19 (ii) Incorporate sections in its comprehensive plan and enact
20 development regulations that provide new locations for or increased
21 density of single-family detached residential development which are
22 contingent upon a determination under (a) of this subsection that the
23 first-time buyer housing affordability index was less than one hundred
24 for three quarters in any given year. In the event that the county
25 chooses to enact sections of its comprehensive plan and development
26 regulations, the county may provide that these sections and regulations
27 take effect January 1st of any year following the determination by the
28 Washington center for real estate research.

29 (2) The year-long period measured by the Washington center for real
30 estate research under subsection (1) of this section shall begin and
31 end in the third quarter of the calendar year. The time period for
32 which the ability to permit single-family residential development under
33 subsection (1) of this section shall begin January 1st of the year
34 following the determination by the Washington center for real estate
35 research.

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