

HB 1116 - H AMD 15

By Representative Dunn

SCOPED 02/12/2007

1 On page 1, after line 4, insert the following:

2 NEW SECTION. **Sec. 1.** A new section is added to chapter 36.70A
3 RCW to read as follows:

4 (1) As used in this section and section 2 of this act, "first-time
5 buyer housing affordability index" means the index determined by the
6 Washington center for real estate research that measures the ability of
7 a typical renter household to afford the purchase of a typical starter
8 home by assuming: (a) The household will purchase a home priced at
9 eighty-five percent of area median household income with a ten-percent
10 down payment; (b) the home mortgage loan is for a term of thirty years
11 at the prevailing average fixed rate of interest; and (c) the potential
12 first-time home buyer earns seventy percent of the area median
13 household income and twenty-five percent of household income can be
14 used for principal and interest payments.

15 (2) A first-time buyer housing affordability index of: (a) One
16 hundred, indicates that a household of the defined income can afford a
17 home of the defined price; (b) less than one hundred, indicates that a
18 household of the defined income cannot afford a home of the defined
19 price without spending more than twenty-five percent of their income on
20 mortgage payments; and (c) greater than one hundred, indicates that a
21 household of the defined income can afford a home of the defined price
22 while spending less than twenty-five percent of their income on
23 mortgage payments.

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

26 (1)(a) In any county planning under RCW 36.70A.040 in which the
27 first-time buyer housing affordability index, as defined in section 1
28 of this act, and as determined by the Washington center for real estate
29 research at Washington State University, is less than one hundred for

1 three quarters in any year, the county may permit single-family
2 detached residential development of any density outside the urban
3 growth area designated according to RCW 36.70A.110 for the following
4 two years. Single-family detached residential development authorized
5 under this section is not considered urban growth located outside of an
6 urban growth area. Services provided to a single-family detached
7 residential development authorized under this section is not considered
8 urban services located outside of an urban growth area.

9 (b) Any county planning under RCW 36.70A.040 and permitting single-
10 family detached residential development under (a) of this subsection
11 may:

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

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

27 (2) The one-year period measured by the Washington center for real
28 estate research under subsection (1) of this section begins and ends in
29 the third quarter of the calendar year. The time period for which the
30 ability to permit single-family detached residential development under
31 subsection (1) of this section begins January 1st of the year following
32 the determination by the Washington center for real estate research
33 under (a) of this subsection."

34 Renumber the remaining section consecutively, correct any internal
35 references accordingly, and correct the title.

EFFECT: If a county planning under the growth management act has

a first-time buyer housing affordability index of less than one hundred for three quarters in any given year, the county may permit single-family detached residential development of any density outside the urban growth area for a period of two years starting January 1st of the year following the housing affordability index determination. Such housing will not be considered urban growth, and services provided to such housing will not be considered urban services located outside of an urban growth area. Any county receiving such a determination may change its comprehensive plan and development regulations to allow for new locations and new density regulations.

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