

2SHB 1359 - H AMD 179

By Representative Dunn

FAILED 3/10/2007

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that first-time
4 home buyers in Washington state have been priced out of the housing
5 market in many counties. The legislature finds that many
6 organizations, including local governments, have recognized the
7 affordable housing crisis for first-time home buyers. The
8 legislature finds that, for example, as reported in King county's
9 benchmark growth report, "buying a first home remains extremely
10 difficult for those under one hundred twenty percent of median
11 income." The legislature further finds that impact fees contribute
12 to the high cost of housing in many Washington counties, and that
13 eliminating these fees will reduce housing prices. The legislature
14 intends to make housing more affordable for first-time home buyers
15 in counties where housing is currently not affordable for
16 first-time home buyers. The legislature intends to do this by
17 eliminating impact fees in counties where the first-time buyer
18 housing affordability index demonstrates that housing is not
19 affordable for first-time home buyers.

20 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.02
21 RCW to read as follows:

22 (1) As used in this chapter, "first-time buyer housing
23 affordability index" means the index determined by the Washington
24 center for real estate research that measures the ability of a
25 typical renter household to afford the purchase of a typical
26 starter home by assuming: (a) The household will purchase a home
27 priced at eighty-five percent of area median with a ten percent
28 down payment; (b) the home mortgage loan is for a term of thirty
29 years at the prevailing average fixed rate of interest; and (c) the

1 potential first-time home buyer earns seventy percent of the area
2 median household income and twenty-five percent of household income
3 can be used for principal and interest payments.

4 (2) For purposes of this chapter, a first-time buyer housing
5 affordability index of: (a) One hundred indicates that a household
6 of the defined income can afford a home of the defined price; (b)
7 less than one hundred indicates that a household of the defined
8 income cannot afford a home of the defined price without spending
9 more than twenty-five percent of their income on mortgage payments;
10 and (c) greater than one hundred indicates that a household of the
11 defined income can afford a home of the defined price while
12 spending less than twenty-five percent of their income on mortgage
13 payments.

14 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.02
15 RCW to read as follows:

16 (1) In any county in which the first-time buyer housing
17 affordability index, as defined in section 2 of this act and as
18 determined by the Washington center for real estate research at
19 Washington State University, is less than one hundred for three
20 quarters in any given year, the county and cities located within
21 the county shall not collect impact fees under this chapter for the
22 following two years.

23 (2) The year-long period measured by the Washington center for
24 real estate research under subsection (1) of this section shall
25 begin and end in the third quarter of the calendar year. The time
26 period for which the ability to collect impact fees under this
27 chapter is suspended under subsection (1) of this section begins
28 January 1st of the year following the determination by the
29 Washington center for real estate research.

30 **Sec. 4.** RCW 82.02.100 and 1992 c 219 s 2 are each amended to
31 read as follows:

32 (1) A person required to pay a fee pursuant to RCW 43.21C.060
33 for system improvements shall not be required to pay an impact fee
34 under RCW 82.02.050 through 82.02.090 for those same system
35 improvements.

1 (2) A county prohibited from imposing a fee for system
2 improvements under section 3 of this act may not impose a fee under
3 RCW 43.21C.060 for those same system improvements.

4 (3) A county prohibited from imposing a fee for system
5 improvements under section 3 of this act may not require a
6 dedication of land under RCW 58.17.110 for those same system
7 improvements."

8 Correct the title.

EFFECT: Removes all sections of the underlying Affordable Housing for All bill and establishes that in any county in which the first-time buyer housing affordability index, as determined by the Washington Center for Real Estate Research at Washington State University, is less than one hundred for three quarters in any given year, the county and cities located within the county shall not collect impact fees for the following two years.