Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Community Development, Housing & Tribal Affairs Committee

SSB 6294

Brief Description: Exempting impact fees for low-income housing development.

Sponsors: Senate Committee on Local Government (originally sponsored by Senators Kuderer, Sheldon, Warnick, Walsh, Palumbo and Liias).

Brief Summary of Substitute Bill
• Excludes the construction of shelters for homeless and domestic violence victims from development activities that are subject to impact fees.

Hearing Date: 2/20/18

Staff: Sean Flynn (786-7124).

Background:

Impact Fees. Local jurisdictions planning under the Growth Management Act are authorized to adopt local ordinances that impose impact fees on development activities to assist in the financing of system improvements to public facilities that provide service within a designated area around the development. Such public facilities include public roads, parks and recreation facilities, schools, and fire protection facilities.

Impact fees may be imposed on a development activity that includes any construction, expansion, or change in use of a building or land that creates additional demand for public facilities. Buildings constructed by a regional transit authority are expressly exempted a development activity to which impact fees may be imposed.

Exemptions for Low-Income Housing Development. Local ordinances imposing impact fees may provide an exemption for low-income housing development, and other activities with broad public purpose. If a local ordinance provides a partial exemption of up to 80 percent of the

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impact fee for low-income housing, the exempted amount does not need to be reimbursed from other public funds. However, if the local ordinance provides a full waiver of the impact fees for low-income housing, then the amount of the remaining percentage exempted must be reimbursed by public funds other than impact fee accounts. Lost revenue through an exemption of impact fees for low-income housing may not be collected by raising impact fees unrelated to the exemption.

Any exemption of impact fees for low-income housing development must be conditioned upon the developer recording a covenant that prohibits the property from being used for any purpose other than low-income housing. The covenant must address price restrictions and household income limits, and that upon conversion to another use, the owner must pay any applicable impact fees. Low-income housing includes housing with a monthly rent capped at an amount equal to 30 percent of 80 percent of the county median family income.

Summary of Bill:

A development activity does not include buildings or structures constructed as shelters that provide emergency housing for people experiencing homelessness, or emergency shelters for victims of domestic violence. As a result, the building of shelters is not subject to impact fees.

The covenant provided for an exemption from impact fees for low-income housing is not required to address housing income limits when being used for people experiencing homelessness.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.