

# HOUSE BILL REPORT

## SSB 6294

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**As Reported by House Committee On:**  
Community Development, Housing & Tribal Affairs

**Title:** An act relating to exempting impact fees for low-income housing development.

**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 History:**

**Committee Activity:**

Community Development, Housing & Tribal Affairs: 2/20/18, 2/22/18 [DPA].

**Brief Summary of Substitute Bill  
(As Amended by Committee)**

- Excludes the construction of shelters for homeless and domestic violence victims from development activities that are subject to impact fees.

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### HOUSE COMMITTEE ON COMMUNITY DEVELOPMENT, HOUSING & TRIBAL AFFAIRS

**Majority Report:** Do pass as amended. Signed by 7 members: Representatives Ryu, Chair; Macri, Vice Chair; Barkis, Ranking Minority Member; McCabe, Assistant Ranking Minority Member; Jenkin, Reeves and Sawyer.

**Staff:** Travis Yonker (786-7383).

**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.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

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 excluded from the definition of development activity for 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 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.

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**Summary of Amended 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.

**Amended Bill Compared to Substitute Bill:**

The bill as amended removes a reference to shelters in the covenant recording requirement for low-income housing developers to receive an exemption from income fees.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill contains an emergency clause and takes effect on April 1, 2018.

**Staff Summary of Public Testimony:**

(In support) Shelters should not be subject to impact fees. Making this change will help the development of shelters throughout the state.

(Opposed) Impact fees make development more difficult. There should be a study done on how impact fees affect development.

**Persons Testifying:** (In support) Dave Asher, City of Kirkland; Steve Gano and Jason Gano, Building Industry Association of Washington.

(Opposed) Roger Valdez, Seattle for Growth

**Persons Signed In To Testify But Not Testifying:** None.