
HOUSE BILL 2538

State of Washington

65th Legislature

2018 Regular Session

By Representatives McBride, Barkis, Appleton, Peterson, Springer, Slatter, Gregerson, Kagi, Wylie, Chapman, Senn, Stanford, Kloba, and Santos

Read first time 01/10/18. Referred to Committee on Community Development, Housing & Tribal Affairs.

1 AN ACT Relating to exempting impact fees for low-income housing
2 development; amending RCW 82.02.060; providing an effective date; and
3 declaring an emergency.

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

5 **Sec. 1.** RCW 82.02.060 and 2012 c 200 s 1 are each amended to
6 read as follows:

7 (1) The local ordinance by which impact fees are imposed:

8 ~~((1) Shall))~~ (a) Must include a schedule of impact fees ~~((which shall be))~~ that are adopted for each type of development activity
9 that is subject to impact fees, specifying the amount of the impact
10 fee to be imposed for each type of system improvement. The schedule
11 ~~((shall))~~ must be based upon a formula or other method of calculating
12 such impact fees. In determining proportionate share, the formula or
13 other method of calculating impact fees ~~((shall))~~ must incorporate,
14 among other things, the following:
15

16 ~~((a))~~ (i) The cost of public facilities necessitated by new
17 development;

18 ~~((b))~~ (ii) An adjustment to the cost of the public facilities
19 for past or future payments made or reasonably anticipated to be made
20 by new development to pay for particular system improvements in the

1 form of user fees, debt service payments, taxes, or other payments
2 earmarked for or proratable to the particular system improvement;
3 ~~((e))~~ (iii) The availability of other means of funding public
4 facility improvements;
5 ~~((d))~~ (iv) The cost of existing public facilities improvements;
6 and
7 ~~((e))~~ (v) The methods by which public facilities improvements
8 were financed;
9 ~~((2))~~ (b) May provide an exemption for ~~((low-income housing,~~
10 ~~and other))~~ development activities with broad public purposes, from
11 these impact fees, provided that the impact fees for such development
12 activity ~~((shall be))~~ are paid from public funds other than impact
13 fee accounts;
14 ~~((3))~~ (c) May provide an exemption from impact fees for low-
15 income housing~~((Local governments that grant exemptions for low-~~
16 ~~income housing under this subsection (3) may either: Grant a partial~~
17 ~~exemption of not more than eighty percent of impact fees, in which~~
18 ~~case there is no explicit requirement to pay the exempted portion of~~
19 ~~the fee from public funds other than impact fee accounts; or provide~~
20 ~~a full waiver, in which case the remaining percentage of the exempted~~
21 ~~fee must be paid from public funds other than impact fee accounts. An~~
22 ~~exemption for low-income housing granted under subsection (2) of this~~
23 ~~section or))~~ up to one hundred percent of impact fees, with no
24 explicit requirement to pay the exempted portion of the fee from
25 public funds other than impact fee accounts. An exemption for low-
26 income housing granted under this subsection ~~((3))~~ (1)(c) must be
27 conditioned upon requiring the developer to record a covenant that,
28 except as provided otherwise by this subsection, prohibits using the
29 property for any purpose other than for low-income housing. At a
30 minimum, the covenant must address price restrictions and household
31 income limits for the low-income housing, and that if the property is
32 converted to a use other than for low-income housing, the property
33 owner must pay the applicable impact fees in effect at the time of
34 conversion. Covenants required by this subsection must be recorded
35 with the applicable county auditor or recording officer. A local
36 government granting an exemption under ~~((subsection (2) of this~~
37 ~~section or))~~ this subsection ~~((3))~~ (1)(c) for low-income housing
38 may not collect revenue lost through granting an exemption by
39 increasing impact fees unrelated to the exemption. A school district

1 who receives school impact fees must approve any exemption under
2 (~~(subsection (2) of this section or)~~) this subsection (~~((3))~~) (1)(c);
3 (~~((4) Shall)~~) (d) Must provide a credit for the value of any
4 dedication of land for, improvement to, or new construction of any
5 system improvements provided by the developer, to facilities that are
6 identified in the capital facilities plan and that are required by
7 the county, city, or town as a condition of approving the development
8 activity;

9 (~~((5) Shall)~~) (e) Must allow the county, city, or town imposing
10 the impact fees to adjust the standard impact fee at the time the fee
11 is imposed to consider unusual circumstances in specific cases to
12 ensure that impact fees are imposed fairly;

13 (~~((6) Shall)~~) (f) Must include a provision for calculating the
14 amount of the fee to be imposed on a particular development that
15 permits consideration of studies and data submitted by the developer
16 to adjust the amount of the fee;

17 (~~((7) Shall)~~) (g) Must establish one or more reasonable service
18 areas within which it (~~(shall)~~) calculates and imposes impact fees
19 for various land use categories per unit of development; and

20 (~~((8))~~) (h) May provide for the imposition of an impact fee for
21 system improvement costs previously incurred by a county, city, or
22 town to the extent that new growth and development will be served by
23 the previously constructed improvements provided such fee (~~(shall)~~)
24 may not be imposed to make up for any system improvement
25 deficiencies.

26 (2) For purposes of this section, "low-income housing" means:

27 (a) Housing with a monthly housing expense, that is no greater
28 than thirty percent of eighty percent of the median family income
29 adjusted for family size, for the county where the project is
30 located, as reported by the United States department of housing and
31 urban development; or

32 (b) Shelters that provide emergency housing for people
33 experiencing homelessness.

34 NEW SECTION. Sec. 2. This act is necessary for the immediate
35 preservation of the public peace, health, or safety, or support of
36 the state government and its existing public institutions, and takes
37 effect April 1, 2018.

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