

# HOUSE BILL REPORT

## SHB 1377

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### As Amended by the Senate

**Title:** An act relating to affordable housing development on religious organization property.

**Brief Description:** Concerning affordable housing development on religious organization property.

**Sponsors:** House Committee on Housing, Community Development & Veterans (originally sponsored by Representatives Walen, Barkis, Jenkin, Harris, Springer, Macri, Wylie, Ryu, Reeves, Robinson, Griffey, Appleton, Bergquist, Jinkins, Tharinger, Slatter, Kloba, Doglio, Goodman, Leavitt, Ormsby and Santos).

**Brief History:**

**Committee Activity:**

Housing, Community Development & Veterans: 2/1/19, 2/6/19 [DPS].

**Floor Activity:**

Passed House: 3/8/19, 84-12.

Senate Amended.

Passed Senate: 4/12/19, 42-3.

**Brief Summary of Substitute Bill**

- Requires certain cities and counties engaged in comprehensive planning to allow an increased density bonus for certain affordable housing development on property owned or controlled by a religious organization.

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### HOUSE COMMITTEE ON HOUSING, COMMUNITY DEVELOPMENT & VETERANS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Ryu, Chair; Morgan, Vice Chair; Gildon, Ranking Minority Member; Barkis, Assistant Ranking Minority Member; Entenman, Frame, Leavitt and Reeves.

**Minority Report:** Do not pass. Signed by 1 member: Representative Corry.

**Staff:** Cassie Jones (786-7303).

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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.*

## **Background:**

Planning enabling statutes allow cities and counties, at their option, to adopt comprehensive plans, zoning ordinances, and other official controls regulating land uses within their boundaries. Such regulations may generally include: the location and the use of buildings, structures, and land for residence, industry, trade, and other purposes; the height, construction, and design of buildings and structures; the size of yards, open spaces, lots, and tracts; the density of population; the set-back of buildings; the subdivision and development of land; and adoption of standard building codes and fire regulations. These regulations must form parts of a comprehensive plan which must prepare for the physical and generally advantageous development of the city or county and be designed to encourage the most appropriate uses of land.

Other cities and counties are required, or have elected, to adopt comprehensive plans under the Growth Management Act (GMA). The GMA establishes land-use designation and environmental protection requirements for all Washington cities and counties, and a significantly wider array of planning duties for the cities and counties within that are obligated to satisfy all planning requirements of the GMA. The GMA directs planning jurisdictions (*i.e.*, jurisdictions that fully plan under the GMA) to adopt internally consistent comprehensive land-use plans that are generalized, coordinated land-use policy statements of the governing body. Comprehensive plans are implemented through locally adopted development regulations.

Generally, a density bonus is a zoning tool used by cities and counties in which they allow a developer to build more housing units, taller buildings, or more floor space than normally allowed, in exchange for provision of a defined public benefit, such as a specified number or percentage of affordable housing units. Any city or county that is fully planning under the GMA may enact or expand an affordable housing incentive program that may include density bonuses in the urban growth area.

### Joint Legislative Audit and Review Committee.

The Joint Legislative Audit and Review Committee (JLARC) is comprised of an equal number of House of Representatives and Senate members, Democrats and Republicans. The nonpartisan staff of the JLARC conduct performance audits, program evaluations, sunset reviews, and other analyses assigned by the Legislature and the JLARC itself.

## **Summary of Substitute Bill:**

A city planning under certain planning enabling statutes, or a city or county fully planning under the Growth Management Act (GMA), must allow an increased density bonus consistent with local needs for any affordable housing development, including any existing development that is preserved or modified, of any single-family or multifamily residence located on real property owned or controlled by a religious organization if the affordable housing development:

- is set aside for, or occupied exclusively for, low-income households. "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is less than 80 percent of the median family income, adjusted for household size for the county where the affordable housing development is located;

- is part of a lease or other binding obligation that requires development to be used exclusively for affordable housing purposes for at least 40 years, even if the religious organization no longer owns the property; and
- does not discriminate against any person who qualifies as a member of a low-income household.

A city or town, code city, or county may develop policies to implement the increased density bonus if it receives a request for a religious organization for the increased density bonus. The religious organization developing the qualifying affordable housing must pay all fees, mitigation costs, and other charges required and should work with local transit agencies to ensure appropriate transit services are provided to the affordable housing development.

"Affordable housing development" means a proposed or existing structure in which 100 percent of all single-family or multifamily residential dwelling units within the development are set aside for or are occupied by low-income households at a sales price or rent amount that may not exceed 30 percent of the income limit for the low-income housing unit.

An affordable housing development created by a religious institution within a city or county fully planning under the GMA must be located within an urban growth area.

The Joint Legislative Audit and Review Committee must review the efficacy of the increased density bonus incentive for affordable housing development located on property owned by a religious organization and must report its findings to the appropriate committees of the Legislature by December 1, 2030. The review must include a recommendation on whether this incentive should be continued without change or should be amended or repealed.

**EFFECT OF SENATE AMENDMENT(S):**

The number of years that a qualifying affordable housing development is required to be used exclusively for affordable housing purposes is increased from 40 to 50 years.

Language encouraging a religious organization developing affordable housing to work with the local transit agency is modified to encourage this work if it is applicable.

Technical corrections are made to clarify that the increased density bonus applies to a religious organization that is rehabilitating an existing affordable housing development.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) This is an effort to address affordable housing and homelessness in our communities. The faith community often leads the way with its efforts to house the

homeless. This bill provides for a density bonus for affordable housing on religious organization property. Sometimes zoning ordinances prevent religious organizations from carrying out their mission to provide affordable housing. Under this bill, religious organizations would still have to comply with other requirements not related to the density bonus. The cities and the faith communities have been working together for years to promote affordable housing efforts by religious organizations. A technical amendment would improve the bill by allowing cities to plan for the density bonus after a request by a religious organization to avoid unnecessary planning efforts.

(Opposed) None.

**Persons Testifying:** Representative Walen, prime sponsor; Carl Schroeder, Association of Washington Cities; and Paul Benz, Faith Action Network.

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