

SENATE BILL REPORT

SB 5358

As Reported by Senate Committee On:
Housing Stability & Affordability, February 4, 2019

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

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

Sponsors: Senators Saldaña, Fortunato, Wellman, Zeiger, Kuderer, Cleveland, Keiser, Nguyen, Conway, Hobbs, Van De Wege, Das, Dhingra, Warnick and Hunt.

Brief History:

Committee Activity: Housing Stability & Affordability: 1/30/19, 2/04/19 [DPS].

Brief Summary of First Substitute Bill

- Requires cities and counties planning to allow for an increased density bonus for an affordable housing development located on real property owned or controlled by a religious organization.
- Requires the affordable housing development to be dedicated to exclusive use by low-income households for a minimum of 40 years through a lease or other binding agreement.

SENATE COMMITTEE ON HOUSING STABILITY & AFFORDABILITY

Majority Report: That Substitute Senate Bill No. 5358 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kuderer, Chair; Das, Vice Chair; Zeiger, Ranking Member; Darneille, Saldaña and Warnick.

Staff: Brandon Popovac (786-7465)

Background: Cities and counties engaging in comprehensive planning may enact ordinances and codes to regulate the use of land, and zoning of certain developments and activities. Such regulations generally include the location, construction, and size of buildings 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

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.

population; the set-back of buildings; the subdivision and development of land; and adoption of standard building codes and fire regulations.

A density bonus is a zoning tool that permits developers 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. State law allows for density bonuses to be provided as a local option as part of an affordable housing incentive program.

Summary of Bill (First Substitute): Any city planning, or any 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 of any single-family or multiple-family residence located on real property owned or controlled by a religious organization. Such cities and counties may develop policies to implement the increased density bonus allowance once a religious organization requests the allowance for an affordable housing development. The affordable housing development must be set aside for and occupied exclusively by low-income households for at least 40 years by a lease or other binding legal obligation even if the religious organization no longer owns the property. The development must agree not to discriminate based on a list of demographic factors, including creed, disability, and sexual orientation. Developments that are created within a city or county fully planning under GMA must be located within an urban growth area.

A religious organization developing affordable housing must agree to pay fees, mitigation costs, and other charges and is encouraged to work with the local transit agency to ensure appropriate transit services are provided. Any religious organization that has already developed an affordable housing development is subject to the provisions of this act for purposes of preserving or modifying the development.

The Joint Legislative Audit and Review Committee must review the efficacy of the increased density bonus allowance and report its findings to the Legislature by December 1, 2030, which must include a recommendation on whether the allowance should be continued without change or should be amended or repealed.

Affordable housing development is defined as housing in which 100 percent of proposed or existing units are set aside for or occupied by low-income households whose income is less than 80 percent of the median family income, and the sales price or rent amount may not exceed 30 percent of the income limit for the low-income housing unit.

EFFECT OF CHANGES MADE BY HOUSING STABILITY & AFFORDABILITY COMMITTEE (First Substitute):

- Authorizes cities and counties planning or fully planning under the GMA to develop policies to implement the increased density bonus allowance for affordable housing development by religious organizations.
- Expands the increased density bonus allowance for affordable housing development to all cities and counties fully planning under the GMA.
- Removes the requirement that the affordable housing development within a GMA city or county be located in a limited area of more intensive rural development.

- Requires the Joint Legislative Audit and Review Committee to review the efficacy of the increased density bonus allowance, report findings to the Legislature by December 2030, and recommend if the allowance should be continued or not.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: There is very little property available for developing housing, but some religious organizations have prime property available for such development. The faith community is trying to address the issue of housing and homelessness, and we need to allow this community to be able to help facilitate the building of housing. The bill seems like an easy way for the nonprofit sector to be able to put housing in as quickly as possible.

The increased density bonus requirement will incentivize religious organizations that either have existing housing or want to build housing to do so. The bill helps compel that cooperation and engagement between the cities and their faith communities. We do not know how many churches are going to be interested in developing affordable housing, so administrative language may need to be added to allow cities to develop policies to implement the provisions of the bill.

Persons Testifying: PRO: Senator Rebecca Saldaña, Prime Sponsor; Paul Benz, Faith Action Network; Carl Schroeder, Association of Washington Cities.

Persons Signed In To Testify But Not Testifying: No one.