

SENATE BILL REPORT

SB 5769

As of February 12, 2019

Title: An act relating to minimum urban density requirements in growth management act cities and counties.

Brief Description: Concerning minimum urban density requirements in growth management act cities and counties.

Sponsors: Senators Palumbo and Liias.

Brief History:

Committee Activity: Local Government: 2/07/19.

Brief Summary of Bill

- Establishes a minimum urban density of no less than six dwelling units per acre for urban growth areas of Growth Management Act (GMA) cities and counties.
- Requires GMA cities and counties to allow certain types of housing as a permitted use within one-quarter mile of certain facilities and zoning.
- Establishes a grant program for planning costs related to the density and housing requirements, and other state planning requirements.

SENATE COMMITTEE ON LOCAL GOVERNMENT

Staff: Greg Vogel (786-7413)

Background: Growth Management Act. The GMA is the comprehensive land use planning framework for counties and cities in Washington. The GMA sets forth three broad planning obligations for those counties and cities who plan fully under the GMA: the county legislative authority must adopt a countywide planning policy; the county, and the cities within the county, must designate critical areas, agricultural lands, forestlands, and mineral resource lands, and adopt development regulations accordingly; and the county must designate and take other actions related to urban growth areas (UGAs).

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.

Urban Growth Areas. Counties that fully plan under the GMA must designate UGAs, areas within which urban growth must be encouraged and outside of which growth may occur only if it is not urban in nature. Planning jurisdictions must include within their UGAs sufficient areas and densities to accommodate projected urban growth for the succeeding 20-year period. In addition, cities must include sufficient areas to accommodate the broad range of needs and uses that will accompany the projected urban growth, including, as appropriate, medical, governmental, institutional, commercial, service, retail, and other nonresidential uses.

County Recording Surcharges. County auditors are the recording officers of counties for a variety of documents relating to real property, marriage licenses, other vital statistics, and other matters required by law to be filed and recorded in the county. There is a surcharge for affordable housing for all and an additional surcharge for local homeless housing and assistance. The surcharge for affordable housing for all is \$13, of which the county auditor retains up to 5 percent for collecting and administering the funds. Forty percent of the funds collected are remitted to the state Affordable Housing for All Account. The Department of Commerce uses these funds to provide housing and shelter for extremely low-income households. The remaining funds may be used by the counties to fund eligible housing activities for very low-income households, with priority for extremely low-income households by funding:

- the acquisition, construction, or rehabilitation of housing projects, including units for homeownership, rental units, farm worker housing, and single-room occupancy units;
- supporting building operation and maintenance costs of housing projects;
- rental assistance vouchers; and
- operating costs for emergency shelters and overnight shelters.

The county auditor must charge an additional \$62 surcharge to administer the requirements of the Homeless Housing and Assistance Act. Of the total fee, 2 percent is retained by the auditor to cover collection costs, 60 percent goes to the county to administer a local homeless housing program, 6 percent may be used by the county to cover related administrative costs, and 32 percent goes to programs directly related to accomplishing the goals of the county's local homeless housing plan. Certain documents are exempt from this surcharge.

Summary of Bill: A minimum urban density of six dwelling units per acre in areas designated for residential use is established in the UGAs of GMA cities and counties.

GMA cities and counties must allow the following types of housing to be built as a permitted use in areas designated as residential and located within one-quarter mile of either a school, park, rail station, hospital, community center, or commercial, mixed used, or multifamily housing area:

- cottage housing,
- courtyard apartments,
- duplexes,
- fourplexes,
- manufactured homes,
- single-room occupancies, and
- townhouses.

Specific requirements for these categories of housing must be established relating to parking, sewer main connection, home size, units per structure, side yard setbacks, and design standards in the applicable zones.

A grant program is established for local planning costs associated with meeting the requirements of the act, other land use and planning requirements, and costs associated with buildable lands requirements, approval of final plats, State Environmental Policy Act (SEPA) threshold increases, short plat threshold increases, streamlining and modernizing permit processes, updates to use matrices that add residential zones or eliminate unnecessary processes, and codes implementing lot size averaging.

The grant program is funded with an additional document recording fee, set at a rate sufficient to provide \$10 million of deposits to the Growth Management Planning and Environmental Review Fund each fiscal biennium.

GMA cities and counties are required to implement the minimum density and housing requirements in the housing element of their comprehensive plans and in their local zoning maps before December 31, 2020.

Plans, development regulations, or amendments necessary to implement the act are exempted from GMA Hearings Board review till the jurisdiction's next periodic update. Any SEPA decision that arises from meeting the December 31, 2020 deadline is exempted from appeal.

Appropriation: None.

Fiscal Note: Requested on January 30, 2019.

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

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony: PRO: Many GMA counties and cities are facing a housing crisis that has not been seen in quite some time. Here is the current state of density zoning immediately outside of urban centers: the city core has very heavy density but the surrounding city zoning has not kept up. They are currently at four dwelling units, whereas this bill calls for six units per acre. This bill is a bold proposal. The tools in this bill offer local governments flexibility to meet these new standards. There is a great incentive and requirement approach laid out in this bill.

Having six units per acre may not be the approach in every GMA jurisdiction across the state, and perhaps there should be recognition of the rate of growth and proximity to transportation and other services. However, it provides a lot of good concepts to be discussed. While not the one and only answer, there are a variety of bills with pieces that will help with the housing situation. One size fits all will not work to solve the housing crisis, so approaches may need to include a variety of densities, such as east and west jurisdictions, or fast and slow growing jurisdictions. It would be good to have options to implement the requirements, perhaps removing conditional use permits or safe harbor for no appeal. It is important to

give local governments some funding to make changes in their zoning regulations and policies.

CON: The basic core principles for planners is local control and decisions on zoning. This bill is a clear infringement on that ability. A blanket mandate is not something to be supported. What should be supported is permissive density zoning. The bill is more complicated than it appears. It would create significant costs for counties and increase overall analysis of the housing element and how it works with the entire county. Increasing zoning could create downzoning in other areas and shrink UGAs since this affects buildable land capacity.

There is support and desire for urban redevelopment and infill and for more affordable housing. Jurisdictions need tools and approaches relevant in all parts of the state and added variety of housing. However, this bill would apply just as much to Seattle as it would to Krupp in Grant County. The problems are not at all the same. Requiring the missing middle densities everywhere would cause several problems. For instance, how to deal with infrastructure improvements. This would also require a pretty significant code scrub and is likely beyond technical and manning capacity for local planning departments. Providing tools and resources and some push to local governments is supported, but the bill is unnecessarily prescriptive.

OTHER: The conversation being started here is appreciated, however, the bill does not take into account critical areas or hazard zones. There is no mention of net or gross density. Globally, it is a good idea to provide housing options around certain areas of cities. This directs housing towards transportation, hospitals, and parks, essentially, high access to opportunity areas. PSRC has been doing this kind of mapping, with 20 indicators, and this bill squishes them all into one. It also addresses displacement concerns that would be caused by doing a blanket minimum density across the city. There is a need to give locals support, but it should not be through the document recording fee. Perhaps it should be done through an increase in permit fees, since there is a nexus around planning. Removing the SEPA appeal would prevent tribal governments from engaging in the planning process.

Persons Testifying: PRO: Alex Hur, Master Builders Association of King and Snohomish Counties; Jeanette McKague, Washington REALTORS.

CON: Paul Jewell, Washington State Association of Counties; Carl Schroeder, Association of Washington Cities.

OTHER: Bryce Yadon, Futurewise.

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