

SENATE BILL REPORT

SB 6334

As Reported by Senate Committee On:
Housing Stability & Affordability, February 5, 2020

Title: An act relating to urban housing supply.

Brief Description: Concerning urban housing supply.

Sponsors: Senators Salomon, Nguyen, Das, Wilson, C. and Kuderer.

Brief History:

Committee Activity: Housing Stability & Affordability: 1/27/20, 2/05/20 [DPS].

Brief Summary of First Substitute Bill

- Modifies and adds to the list of planning actions that certain cities are encouraged to take to increase residential building capacity.
- Modifies the date by which certain planning actions must be taken in order for those actions to be exempt from administrative or judicial appeal under the Growth Management Act and the State Environmental Policy Act (SEPA).
- Changes the frequency and level of transit service that triggers a cap on minimum residential parking requirements for certain affordable and market rate multifamily housing units.
- Exempts certain project actions from appeal under SEPA on the basis of impacts to the aesthetics element of the environment if the project is subject to design review at the local government level.
- Directs the Department of Ecology to remove parking as an element of the environment and as a component of the environmental checklist the next time it amends SEPA rules.

SENATE COMMITTEE ON HOUSING STABILITY & AFFORDABILITY

Majority Report: That Substitute Senate Bill No. 6334 be substituted therefor, and the substitute bill do pass.

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.

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

Staff: Brandon Popovac (786-7465)

Background: Growth Management Act. The Growth Management Act (GMA) is the comprehensive land-use planning framework for counties and cities in Washington. Originally enacted in 1990 and 1991, the GMA establishes land-use designation and environmental protection requirements for all Washington counties and cities. The GMA also establishes a significantly wider array of planning duties for 28 counties, and the cities within those counties, that are obligated to satisfy all planning requirements of the GMA. These jurisdictions are sometimes said to be fully planning under the GMA.

The GMA directs fully planning jurisdictions to adopt internally consistent comprehensive land use plans. Comprehensive plans are implemented through locally adopted development regulations, and both the plans and the local regulations are subject to review and revision requirements prescribed in the GMA. In developing their comprehensive plans, counties and cities must consider various goals set forth in statute.

Planning Actions. In 2019, the Legislature encouraged fully planning cities to take an array of specified planning actions to increase residential building capacity. Specified planning actions include, for example:

- authorizing development of an average of at least 25 residential units per acre in one or more areas of not fewer than 500 acres in cities with a population greater than 40,000, or areas of not fewer than 250 acres in cities with a population less than 40,000, that include one or more bus stops served by scheduled bus service of at least four times per hour for 12 or more hours per day;
- authorizing accessory dwelling units on all lots located in zoning districts that permit single-family residences, subject to certain restrictions; and
- authorizing a minimum net density of six dwelling units per acre in all residential zones.

In general, ordinances and other nonproject actions taken to implement these specified actions, if adopted by April 1, 2021, are not subject to administrative or judicial appeal under either the GMA or SEPA.

Any fully planning city with a population over 20,000 planning to take at least two of the specified planning actions between July 28, 2019, and April 1, 2021, is eligible to apply to the Department of Commerce (Commerce) for planning grant assistance up to \$100,000, subject to appropriation.

Limits on Minimum Residential Parking Requirements. For housing units that are affordable to very low-income or extremely low-income individuals and are located within 0.25 miles of a transit stop that receives transit service at least four times per hour for 12 or more hours per day, minimum residential parking requirements may be no greater than one parking space per bedroom or 0.75 spaces per unit.

State Environmental Policy Act. SEPA establishes a review process for state and local governments to identify environmental impacts that may result from governmental decisions, such as the issuance of permits or the adoption of land-use plans. The SEPA environmental review process involves a project proponent or the lead agency completing an environmental checklist to identify and evaluate probable environmental impacts. Government decisions that the SEPA checklist process identifies as having significant adverse environmental impacts must then undergo a more comprehensive environmental analysis in the form of an Environmental Impact Statement.

State Environmental Policy Act—Exemption from Appeal Based on the Transportation Element of the Environment. A project action pertaining to residential, multifamily, or mixed-use development evaluated under SEPA by a city, county, or town planning fully under the GMA is exempt from appeals under SEPA based on the evaluation of or impacts to transportation elements of the environment, so long as the project does not present significant adverse impacts to state highways as determined by the Department of Transportation and the project meets certain additional criteria.

State Environmental Policy Act—Parking as an Element of the Environment. Under SEPA, the Department of Ecology (Ecology) is directed to adopt a list of elements of the environment that must be considered in an analysis under SEPA, as well as an environmental checklist to be used by lead agencies to carry out their environmental review. Ecology has adopted rules that specify that parking is an element of the environment, as well as a component of the environmental checklist that government agencies use to help determine whether a project will have significant environmental impacts.

Summary of Bill (First Substitute): Planning Actions. The list of actions that cities planning fully under the GMA are encouraged to take to increase residential building capacity are modified and added to, including:

- changing the minimum zoning district size to 200 acres in cities with a population more than 40,000 and 100 acres in cities with a population of fewer than 40,000 for development of at least 25 residential units per acre;
- authorizing a duplex, triplex, or courtyard apartment on one or more parcels for which they are not currently authorized;
- clarifying that the calculation of net density, for actions related to authorizing a minimum net density of six dwelling units per acre in all residential zones, does not include the square footage of certain areas otherwise prohibited from development;
- authorizing one or more zoning districts of medium density in which individual lots may be no larger than 3,500 square feet and single-family residences may be no larger than 1,200 square feet;
- separating the single action related to authorizing accessory dwelling units (ADUs) into the following four separate actions:
 1. authorizing ADUs in one or more zoning districts in which they are currently prohibited;
 2. removing minimum parking requirements related to ADUs;
 3. removing owner occupancy requirements related to ADUs; and
 4. adopting new square footage requirements related to ADUs that are less restrictive than existing square footage requirements related to ADUs.

The minimum population requirement for a city to be eligible for planning grants from Commerce in connection with taking certain actions to increase residential building capacity is eliminated.

The time period by which cities must take certain planning actions to increase residential building capacity in order for those actions to be exempt from administrative or judicial appeal under the GMA and SEPA, is extended from April 1, 2021, to April 1, 2023.

Limits on Minimum Residential Parking Requirements. For market rate multifamily housing units located within 0.25 miles of a transit stop receiving service from at least one route that provides service at least four times per hour for 12 or more hours per day, minimum residential parking requirements may be no greater than one parking space per bedroom or 0.75 space per unit. A city or county may establish parking requirements beyond these standards if it has determined that a particular housing unit is in an area with a lack of access to street parking capacity or with physical space impediments, or other reasons exist that make on-street parking infeasible for the unit. The frequency of transit service triggering a cap on minimum residential parking requirements for certain affordable housing units is reduced from four times per hour to two times per hour.

State Environmental Policy Act—Exemption from Appeal for Certain Project Actions. Any project action related to a residential, multifamily, or mixed-use development is exempt from appeal under SEPA on the basis of impacts to the aesthetics element of the environment if the project is subject to adopted design review requirements at the local government level. "Design review" is defined as a formally adopted local government process by which projects are reviewed for compliance with design standards for the type of use adopted through local ordinance.

State Environmental Policy Act—Rule-making Related to Parking. Ecology must remove parking as an element of the environment and as a component of the environmental checklist within agency rule the next time Ecology amends rules implementing SEPA.

Miscellaneous. Permanent supportive housing for purposes of the GMA is clarified and further defined as subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services. Permanent supportive housing is subject to all rights and responsibilities under the Residential Landlord-Tenant Act.

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

- Clarifies the level of transit service that triggers a cap on minimum residential parking requirements for certain market rate multifamily housing units—transit service from at least one route that provides service at least four times per hour for 12 or more hours per day.
- Provides counties, in addition to cities, with the authority to establish greater parking requirements for market rate multifamily housing units that meet certain criteria.
- Modifies the definition of “design review” regarding the aesthetics element of the environment within the SEPA review process.
- Modifies the definition of "permanent supportive housing" within the GMA.
- Requires Ecology to update its SEPA rules regarding parking the next time that Ecology amends those rules, rather than by October 1, 2020.

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 a need to bring higher housing density around light rail stations in an effort to solve environmental problems within housing affordability. New housing is too focused towards luxury housing or apartments. This bill maintains those voluntary actions on the part of the cities. Creating more workforce housing served by transit and near services and employment centers is critical for both the economic and environmental success of our region. State grants have been used to support development of a station area planning surrounding rapid transit stations. The bill provides the opportunity to leverage regional transit investment and to improve the connection of adjoining neighborhoods. These potential zoning changes require a robust public engagement process that is challenging to within current two-year period, so an extension of the deadline for planning actions by an additional two years is appropriate. Clarification is needed regarding what constitutes transit service within a quarter mile of a transit stop that is served four times per hour provided multiple interpretations could apply.

Thirty-eight of 52 eligible cities have already taken action and applied for state grants for planning assistance, and this bill improves on this by providing more and better options. Smaller cities that are interested in transit oriented development around bus stops appreciate clarification regarding the acreage threshold. Hopefully the SEPA exemption on parking does not create unintended consequences. Removing the population threshold for housing grant assistance is supported since some cities are close to that threshold and still want to plan and be eligible for state grant assistance.

CON: Ample data shows opening up residential neighborhoods to more crowding and multiple property uses increases property values but decreases the quality of life. Affordable starter homes are often razed and replaced with high-end units that original neighbors can no longer afford. Property assets like open spaces for kids, dogs, and gardens are now likely to be eliminated. Maintaining the parking element is important because of current challenges

regarding a lack of sidewalks and uncovered bus stops for children and the public. The bill incentivizes housing in areas that are not supported by transit thereby encouraging more sprawl. Infrastructure needs to be in place first. Some comprehensive plans calls for density along corridors and that spreading development in low-density areas subverts comprehensive plans. Placing more density in regions without the necessary amenities will encouraging and require people to use their car, increasing their cost of living.

OTHER: The GMA is supposed to provide citizens the ability to defend the environment when further development is allowed without proper storm water management and impacts the health of our streams. Prohibitions against appeals are inconsistent with the notion of it as a basic feature of democracy.

Persons Testifying: PRO: Senator Jesse Salomon, Prime Sponsor; Amy Falcone, City of Kirkland; Jeanette McKague, Washington REALTORS; Carl Schroeder, Association of Washington Cities.

CON: Phyllis Booth, citizen; Jeffrey Booth, citizen; Shanti Mai, OSD & LN.

OTHER: Mike Ennis, Association of Washington Business; Bob Jacobs, citizen.

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