ENGROSSED SUBSTITUTE SENATE BILL 5812

State of Washington 66th Legislature 2019 Regular Session

By Senate Housing Stability & Affordability (originally sponsored by Senators Palumbo, Liias, and Nguyen)

READ FIRST TIME 02/21/19.

- AN ACT Relating to local governments planning and zoning for accessory dwelling units; amending RCW 82.02.060, 35.63.210, 35A.63.230, 36.70.677, and 36.70A.400; adding a new section to chapter 19.27 RCW; adding a new chapter to Title 36 RCW; and repealing RCW 43.63A.215.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. FINDINGS AND INTENT. (1) The legislature makes the following findings:
- 9 (a) Washington state is experiencing a housing affordability 10 crisis. Many communities across the state are in need of more housing 11 options for renters.
- 12 (b) Accessory dwelling units typically rent below market rate, 13 providing additional affordable housing options for renters.
- 14 (c) Accessory dwelling units also help to provide housing for 15 very low-income households. More than ten percent of accessory 16 dwelling units in some areas are occupied by tenants who pay no rent 17 at all; among these tenants are grandparents, adult children, family 18 with disabilities, and friends going through 19 transitions. Accessory dwelling units meet the needs of these people 20 who might otherwise require subsidized housing space and resources 21 needed by other households.

p. 1 ESSB 5812

1 (d) Homeowners who add an accessory dwelling unit to her or his 2 property may benefit from added income and an increased sense of 3 security.

4

5

7

8

9

10

1112

13

14

1516

17

18

19

20

2122

23

2425

26

2728

- (e) Accessory dwelling units can also benefit neighborhoods by expanding rental options near public amenities such as schools, parks, and transit without changing the look and feel of existing neighborhoods.
- (f) Accessory dwelling units may reduce economic displacement in existing communities by expanding the range of available housing options and prices.
- (g) Accessory dwelling units are a housing choice that provides environmental benefits. They promote energy conservation compared with average size single-family homes. In addition, the siting of additional accessory dwelling units near transit hubs can help to reduce greenhouse gas emissions.
- (h) Removing certain regulatory barriers to the construction of accessory dwelling units, such as inflexible design standards and siting restrictions, may substantially reduce construction costs, thereby enabling more homeowners to add accessory dwelling units to their properties. The increased availability of accessory dwelling units will provide benefits to homeowners, renters, the community, and the environment.
- (2) The legislature intends to promote and encourage the creation of accessory dwelling units as a means to address the need for additional affordable housing options. The legislature encourages local governments to increase the availability of affordable housing by subsidizing accessory dwelling units with local sales tax revenue, as authorized by House Bill No. 1406.
- NEW SECTION. Sec. 2. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 32 (1) "Accessory dwelling unit" means a dwelling unit located on 33 the same lot as a single-family housing unit.
- 34 (2) "Attached accessory dwelling unit" means an accessory dwelling unit located within or attached to a single-family housing unit.
- 37 (3) "Detached accessory dwelling unit" means an accessory 38 dwelling unit that consists partly or entirely of a building that is 39 separate and detached from a single-family housing unit.

p. 2 ESSB 5812

(4) "Dwelling unit" means a residential living unit that provides complete independent living facilities for one or more persons and that includes permanent provisions for living, sleeping, eating, cooking, and sanitation.

1

2

3

4

14

1516

26

2728

29

30

31

32

33

3435

36

- 5 (5) "Cities" means, except as provided in section 4(2) of this act, (a) all cities, code cities, and towns with a population of ten thousand or more, and (b) all cities, code cities, and towns with a population of at least two thousand five hundred but less than ten thousand in which any portion of the city, code city, or town lies within the boundaries of a regional transit authority or a transit agency as defined in RCW 81.104.015.
- 12 (6) "Counties" means all counties with a population of fifteen 13 thousand or more.
 - (7) "Gross floor area" means the interior habitable area of a dwelling unit including basements and attics but not including a garage or accessory structure.
- 17 (8) "Single-family housing unit" means a single-family detached 18 house, and excludes a duplex, triplex, townhome, or other housing 19 unit.
- NEW SECTION. Sec. 3. ACCESSORY DWELLING UNIT REGULATIONS REQUIRED. (1) Except as provided in subsection (5) of this section, cities and counties must adopt or amend by ordinance and incorporate into their development regulations, zoning regulations, and other official controls, an authorization for the creation of accessory dwelling units that is consistent with this chapter.
 - (2) Ordinances, development regulations, and other official controls adopted or amended pursuant to this chapter may only apply in the portions of towns, cities, and counties that are within designated urban growth areas.
 - (3) Cities and counties must implement the requirements of this chapter by June 1, 2021. Any city or county that does not comply with this subsection must consider any permit application it receives under this chapter in accordance with this chapter unless it adopts its own ordinance, development regulation, or other official control in accordance with this subsection within sixty days after receipt of the application.
- 37 (4) Any action taken by a county or city to comply with the 38 requirements of this chapter within its urban growth area boundary is 39 not subject to legal challenge under chapter 36.70A or 43.21C RCW.

p. 3 ESSB 5812

- 1 This subsection is retroactive, as well as prospective, and applies 2 to any legal challenge commenced on or after January 1, 2018.
- 3 (5) A city that has adopted accessory dwelling unit regulations 4 on or before the effective date of this section, is not subject to 5 the requirements of this chapter but is encouraged to consider 6 adopting the policies of this chapter no later than the date the city 7 is required to complete its next comprehensive review as required in 8 RCW 36.70A.130.
- 9 <u>NEW SECTION.</u> **Sec. 4.** GENERAL REGULATORY REQUIREMENTS. (1) 10 Ordinances, development regulations, and other official controls 11 adopted or amended as required by this chapter:

1213

1415

16

17

18

19

20

21

22

2324

25

2627

30

31

32

33

3435

- (a) (i) On lots on which there is a single-family housing unit, except as provided in (a) (ii) of this subsection, must allow either one attached accessory dwelling unit or one detached accessory dwelling unit.
- (ii) On lots of two thousand five hundred square feet or less on which there is a single-family housing unit: Must allow at least one attached accessory dwelling unit, and may allow at least one detached accessory dwelling unit.
 - (iii) To allow local flexibility, the requirements under this subsection (1)(a) are subject to such regulations, conditions, procedures, and limitations as determined by the local legislative authority except as provided in this section.
 - (iv) Attached or detached accessory dwelling units may not be considered as contributing to the overall underlying density within the urban growth area boundary of a county for purposes of compliance with chapter 36.70A RCW;
- 28 (b) May not impose a minimum lot size requirement for the siting 29 of accessory dwelling units;
 - (c) May not be inconsistent with water availability requirements, water system plans, small water system management plans, or established policies adopted by cities or counties. Any connection fees or capacity charges for attached or detached accessory dwelling units must be proportionate to the burden of the proposed accessory dwelling unit upon the water or sewer system;
- 36 (e) Must require an accessory dwelling unit to be accessible to 37 fire department apparatus by way of a public street or approved fire 38 apparatus access;

p. 4 ESSB 5812

1 (f) May not count residents of accessory dwelling units against 2 any limits on the number of unrelated residents on a single-family 3 lot;

4

5

7

8

9

10 11

12

13

14

1516

17

25

2627

28

- (g) May not establish a requirement for the provision of offstreet parking for accessory dwelling units within one-half mile of a transit stop for fixed rail or for bus service that is scheduled at least every fifteen minutes for no less than ten hours per day. Except as provided in this subsection (1)(g), jurisdictions may require up to one additional off-street parking space per lot in which there is at least one accessory dwelling unit; and
- (h) May not count the gross floor area of an accessory dwelling unit against any floor area ratio limitations that apply to single-family housing units.
- (2) Any city with a population of one hundred thousand or more may not require the owner of a lot on which there is an accessory dwelling unit to reside in or occupy the accessory dwelling unit or another housing unit on the same lot.
- NEW SECTION. Sec. 5. DEVELOPMENT STANDARDS. (1) Ordinances, development regulations, and other official controls adopted or amended as required by this chapter are encouraged to minimize the impact of these ordinances and regulations on the construction cost of an accessory dwelling unit, and without adopted findings:
- 23 (a) Should not establish a roof height limitation on detached 24 accessory dwelling units that is less than twenty-four feet;
 - (b) Should not establish a wall height limitation on detached accessory dwelling units that is less than seventeen feet;
 - (c) Should not establish a maximum gross floor area for accessory dwelling units that is less than one thousand square feet;
- 29 (d) Should not establish a minimum gross floor area for accessory 30 dwelling units that is greater than one hundred forty square feet; 31 and
- 32 (e) Should not establish setback regulations for accessory 33 dwelling units that are more restrictive than regulations for single-34 family housing units.
- 35 (2) Such ordinances, regulations, and controls may exempt 36 designated historical districts that are recognized as such under 37 local ordinance.

p. 5 ESSB 5812

- 1 (3) Cities are encouraged to allow detached accessory dwelling 2 units to be sited at the lot line of the rear yard if the rear yard 3 is adjacent to an alley.
- NEW SECTION. Sec. 6. SHORT-TERM RENTALS. Nothing in this chapter preempts any local jurisdiction from enacting any regulations related to short-term rentals including, but not limited to, development standards, lot size provisions, off-street parking requirements, and tree retention requirements.
- 9 <u>NEW SECTION.</u> **Sec. 7.** IMPACT FEE REVIEW. Cities and counties 10 must review their impact fees to ensure that any impact fees imposed 11 for accessory dwelling units, in accordance with RCW 82.02.060(9), 12 are commensurate with the actual impact of the accessory dwelling 13 unit and are less than impact fees for single-family housing units.
- NEW SECTION. Sec. 8. A new section is added to chapter 19.27
 RCW to read as follows:
- By April 1, 2020, the building code council shall adopt rules pertaining to accessory dwelling units that are consistent with the definitions and standards in chapter 36.--- RCW (the new chapter created in section 15 of this act).
- 20 **Sec. 9.** RCW 82.02.060 and 2012 c 200 s 1 are each amended to 21 read as follows:
 - The local ordinance by which impact fees are imposed:

22

- (1) Shall include a schedule of impact fees which shall be 23 adopted for each type of development activity that is subject to 24 25 impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule shall be based upon 26 27 a formula or other method of calculating such impact fees. determining proportionate share, the formula or other method of 28 calculating impact fees shall incorporate, among other things, the 29 following: 30
- 31 (a) The cost of public facilities necessitated by new 32 development;
- 33 (b) An adjustment to the cost of the public facilities for past 34 or future payments made or reasonably anticipated to be made by new 35 development to pay for particular system improvements in the form of

p. 6 ESSB 5812

user fees, debt service payments, taxes, or other payments earmarked for or proratable to the particular system improvement;

1

2

3

4

5

7

8

9

10

1112

13

14

1516

17

18

19

2021

22

23

2425

26

27

28

29

30 31

32

33

34

3536

37

3839

40

- (c) The availability of other means of funding public facility improvements;
 - (d) The cost of existing public facilities improvements; and
- (e) The methods by which public facilities improvements were financed;
- (2) May provide an exemption for low-income housing, and other development activities with broad public purposes, from these impact fees, provided that the impact fees for such development activity shall be paid from public funds other than impact fee accounts;
- (3) May provide an exemption from impact fees for low-income housing. Local governments that grant exemptions for low-income housing under this subsection (3) may either: Grant a partial exemption of not more than eighty percent of impact fees, in which case there is no explicit requirement to pay the exempted portion of the fee from public funds other than impact fee accounts; or provide a full waiver, in which case the remaining percentage of the exempted fee must be paid from public funds other than impact fee accounts. An exemption for low-income housing granted under subsection (2) of this section or this subsection (3) must be conditioned upon requiring the developer to record a covenant that, except as provided otherwise by this subsection, prohibits using the property for any purpose other than for low-income housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and that if the property is converted to a use other than for low-income housing, the property owner must pay the applicable impact fees in effect at the time of conversion. Covenants required by this subsection must be recorded with the applicable county auditor or recording officer. A local government granting an exemption under subsection (2) of this section or this subsection (3) for low-income housing may not collect revenue lost through granting an exemption by increasing impact fees unrelated to the exemption. A school district who receives school impact fees must approve any exemption under subsection (2) of this section or this subsection (3);
- (4) Shall provide a credit for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer, to facilities that are identified in the capital facilities plan and that are required by

p. 7 ESSB 5812

the county, city, or town as a condition of approving the development activity;

- (5) Shall allow the county, city, or town imposing the impact fees to adjust the standard impact fee at the time the fee is imposed to consider unusual circumstances in specific cases to ensure that impact fees are imposed fairly;
- (6) Shall include a provision for calculating the amount of the fee to be imposed on a particular development that permits consideration of studies and data submitted by the developer to adjust the amount of the fee;
- (7) Shall establish one or more reasonable service areas within which it shall calculate and impose impact fees for various land use categories per unit of development; and
- (8) May provide for the imposition of an impact fee for system improvement costs previously incurred by a county, city, or town to the extent that new growth and development will be served by the previously constructed improvements provided such fee shall not be imposed to make up for any system improvement deficiencies.
- (9) May provide an exemption from impact fees for accessory dwelling units as defined in section 2 of this act, but may not establish a transportation impact fee amount for accessory dwelling units within one-half mile of a transit stop for fixed rail or for bus service that is scheduled at least every fifteen minutes for no less than ten hours per day that is greater than fifty percent of the amount set for single-family residences.

For purposes of this section, "low-income housing" means housing with a monthly housing expense, that is no greater than thirty percent of eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development.

- **Sec. 10.** RCW 35.63.210 and 1993 c 478 s 8 are each amended to read as follows:
- Any ((local government)) <u>city or county</u>, as defined in ((RCW 34 43.63A.215)) <u>section 2 of this act</u>, that is planning under this chapter shall comply with ((RCW 43.63A.215(3))) <u>chapter 36.--- RCW</u> (the new chapter created in section 15 of this act).
- **Sec. 11.** RCW 35A.63.230 and 1993 c 478 s 9 are each amended to 38 read as follows:

p. 8 ESSB 5812

- 1 Any (($\frac{1 cal government}{2}$)) $\frac{city or county}{2}$, as defined in (($\frac{RCW}{2}$)
- $2 + \frac{43.63A.215}{})$ section 2 of this act, that is planning under this
- 3 chapter shall comply with ((RCW 43.63A.215(3))) chapter 36.--- RCW
- 4 (the new chapter created in section 15 of this act).
- 5 **Sec. 12.** RCW 36.70.677 and 1993 c 478 s 10 are each amended to read as follows:
- 7 Any $((\frac{1 \text{ ocal government}}{2}))$ city or county, as defined in $((\frac{RCW}{2}))$
- 8 43.63A.215)) section 2 of this act, that is planning under this
- 9 chapter shall comply with ((RCW 43.63A.215(3))) chapter 36.-- RCW
- 10 (the new chapter created in section 15 of this act).
- 11 **Sec. 13.** RCW 36.70A.400 and 1993 c 478 s 11 are each amended to
- 12 read as follows:
- 13 Any ((local government)) <u>city or county</u>, as defined in ((RCW
- 14 43.63A.215)) section 2 of this act, that is planning under this
- 15 chapter shall comply with ((RCW 43.63A.215(3))) chapter 36.--- RCW
- 16 (the new chapter created in section 15 of this act).
- NEW SECTION. Sec. 14. RCW 43.63A.215 (Accessory apartments—
- 18 Development and placement—Local governments) and 1993 c 478 s 7 are
- 19 each repealed.
- 20 <u>NEW SECTION.</u> **Sec. 15.** Sections 1 through 7 of this act
- 21 constitute a new chapter in Title 36 RCW.

--- END ---

p. 9 ESSB 5812