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**SENATE BILL 6364**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Senators Zeiger and Mullet

Read first time 01/15/20. Referred to Committee on Housing Stability & Affordability.

1 AN ACT Relating to incentivizing smaller, more affordable single-  
2 family home development through impact fee schedule modifications;  
3 and amending RCW 82.02.060.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.02.060 and 2012 c 200 s 1 are each amended to  
6 read as follows:

7 (1) The local ordinance by which impact fees are imposed:

8 ~~((1))~~ (a) Shall include a schedule of impact fees which shall  
9 be adopted for each type of development activity that is subject to  
10 impact fees, specifying the amount of the impact fee to be imposed  
11 for each type of system improvement. The schedule shall be based upon  
12 a formula or other method of calculating such impact fees. In order  
13 to incentivize the construction of smaller, more affordable homes  
14 with lower impacts, for development activity consisting of single-  
15 family homes, the schedule may provide for a tiered fee structure  
16 based on square footage per bedroom of the housing unit that provides  
17 a proportionally lower impact fee for single-family homes with a  
18 lower square footage per bedroom ratio. In determining proportionate  
19 share, the formula or other method of calculating impact fees shall  
20 incorporate, among other things, the following:

1       ~~((a))~~ (i) The cost of public facilities necessitated by new  
2 development;

3       ~~((b))~~ (ii) An adjustment to the cost of the public facilities  
4 for past or future payments made or reasonably anticipated to be made  
5 by new development to pay for particular system improvements in the  
6 form of user fees, debt service payments, taxes, or other payments  
7 earmarked for or proratable to the particular system improvement;

8       ~~((c))~~ (iii) The availability of other means of funding public  
9 facility improvements;

10       ~~((d))~~ (iv) The cost of existing public facilities improvements;  
11 and

12       ~~((e))~~ (v) The methods by which public facilities improvements  
13 were financed;

14       ~~((2))~~ (b) May provide an exemption for low-income housing, and  
15 other development activities with broad public purposes, from these  
16 impact fees, provided that the impact fees for such development  
17 activity shall be paid from public funds other than impact fee  
18 accounts;

19       ~~((3))~~ (c) May provide an exemption from impact fees for low-  
20 income housing. Local governments that grant exemptions for low-  
21 income housing under this subsection ~~((3))~~ (1)(c) may either: Grant  
22 a partial exemption of not more than eighty percent of impact fees,  
23 in which case there is no explicit requirement to pay the exempted  
24 portion of the fee from public funds other than impact fee accounts;  
25 or provide a full waiver, in which case the remaining percentage of  
26 the exempted fee must be paid from public funds other than impact fee  
27 accounts. An exemption for low-income housing granted under (b) of  
28 this subsection ~~((2) of this section)~~ or this subsection ~~((3))~~  
29 (1)(c) must be conditioned upon requiring the developer to record a  
30 covenant that, except as provided otherwise by this subsection,  
31 prohibits using the property for any purpose other than for low-  
32 income housing. At a minimum, the covenant must address price  
33 restrictions and household income limits for the low-income housing,  
34 and that if the property is converted to a use other than for low-  
35 income housing, the property owner must pay the applicable impact  
36 fees in effect at the time of conversion. Covenants required by this  
37 subsection must be recorded with the applicable county auditor or  
38 recording officer. A local government granting an exemption under (b)  
39 of this subsection ~~((2) of this section)~~ or this subsection ~~((3))~~  
40 (1)(c) for low-income housing may not collect revenue lost through

1 granting an exemption by increasing impact fees unrelated to the  
2 exemption. A school district who receives school impact fees must  
3 approve any exemption under (b) of this subsection (~~((2) of this~~  
4 ~~section)) or this subsection (~~((3))~~) (1)(c);~~

5 ~~((4))~~ (d) Shall provide a credit for the value of any  
6 dedication of land for, improvement to, or new construction of any  
7 system improvements provided by the developer, to facilities that are  
8 identified in the capital facilities plan and that are required by  
9 the county, city, or town as a condition of approving the development  
10 activity;

11 ~~((5))~~ (e) Shall allow the county, city, or town imposing the  
12 impact fees to adjust the standard impact fee at the time the fee is  
13 imposed to consider unusual circumstances in specific cases to ensure  
14 that impact fees are imposed fairly;

15 ~~((6))~~ (f) Shall include a provision for calculating the amount  
16 of the fee to be imposed on a particular development that permits  
17 consideration of studies and data submitted by the developer to  
18 adjust the amount of the fee;

19 ~~((7))~~ (g) Shall establish one or more reasonable service areas  
20 within which it shall calculate and impose impact fees for various  
21 land use categories per unit of development; and

22 ~~((8))~~ (h) May provide for the imposition of an impact fee for  
23 system improvement costs previously incurred by a county, city, or  
24 town to the extent that new growth and development will be served by  
25 the previously constructed improvements provided such fee shall not  
26 be imposed to make up for any system improvement deficiencies.

27 (2) For purposes of this section(~~(7-"low-income"))~~;

28 (a) "Low-income housing" means housing with a monthly housing  
29 expense, that is no greater than thirty percent of eighty percent of  
30 the median family income adjusted for family size, for the county  
31 where the project is located, as reported by the United States  
32 department of housing and urban development.

33 (b) "Single-family home" means owner occupied single-family  
34 residential detached dwelling.

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