

ESHB 1660 - S AMD TO S AMD (S-5226.3/22) **1342**

By Senator Fortunato

1 Beginning on page 1, line 3, strike all of sections 1 and 2 and
2 insert the following:

3 **"Sec. 1.** RCW 36.70A.697 and 2020 c 217 s 3 are each amended to
4 read as follows:

5 (1) ~~(a)~~ Cities must adopt or amend by ordinance, and incorporate
6 into their development regulations, zoning regulations, and other
7 official controls the requirements of RCW 36.70A.698~~(1)~~ to take
8 effect by July 1, ~~((2021))~~ 2022.

9 ~~((2))~~ (b) Beginning July 1, ~~((2021))~~ 2022, the requirements of
10 RCW 36.70A.698~~(1)~~:

11 ~~((a))~~ (i) Apply and take effect in any city that has not
12 adopted or amended ordinances, regulations, or other official
13 controls as required under this section; and

14 ~~((b))~~ (ii) Supersede, preempt, and invalidate any local
15 development regulations that conflict with RCW 36.70A.698~~(1)~~.

16 (2) (a) Cities and counties must adopt or amend by ordinance, and
17 incorporate into their development regulations, zoning regulations,
18 and other official controls the requirements of RCW 36.70A.698(2)
19 within two years of the next applicable deadline for its
20 comprehensive plan to be reviewed under RCW 36.70A.130 after July 1,
21 2022.

22 (b) Beginning two years after the next applicable deadline for
23 the review of a county's or city's comprehensive plan under RCW
24 36.70A.130 after July 1, 2022, the requirements of RCW 36.70A.698(2)
25 apply and take effect in any city or county that has not adopted or
26 amended ordinances, regulations, or other official controls as
27 required under this section, and preempt any conflicting development
28 regulations.

29 **Sec. 2.** RCW 36.70A.698 and 2020 c 217 s 4 are each amended to
30 read as follows:

1 (1) ~~(a)~~ Except as provided in ~~((subsection[s] (2) and (3) of this~~
2 ~~section))~~ (b) and (c) of this subsection, through ordinances,
3 development regulations, zoning regulations, and other official
4 controls as required under RCW 36.70A.697(1)(a), cities may not
5 require the provision of off-street parking for accessory dwelling
6 units within one-quarter mile of a major transit stop.

7 ~~((2))~~ (b) A city may require the provision of off-street
8 parking for an accessory dwelling unit located within one-quarter
9 mile of a major transit stop if the city has determined that the
10 accessory dwelling unit is in an area with a lack of access to street
11 parking capacity, physical space impediments, or other reasons
12 supported by evidence that would make on-street parking infeasible
13 for the accessory dwelling unit.

14 ~~((3))~~ (c) A city that has adopted or substantively amended
15 accessory dwelling unit regulations within the four years previous to
16 June 11, 2020, is not subject to the requirements of this ~~((section))~~
17 subsection (1).

18 (2) Through ordinances, development regulations, and other
19 official controls adopted or amended as required under RCW
20 36.70A.697(2):

21 (a) Cities and counties may not impose or enforce an owner
22 occupancy requirement on any housing or dwelling unit on a lot
23 containing an accessory dwelling unit, unless an accessory dwelling
24 unit on the lot is being offered or used for short-term rental,
25 except that:

26 (i) Cities and counties may impose and enforce an owner occupancy
27 requirement for the first year after initial occupation of the unit
28 or primary residence following permitting; and

29 (ii) Cities and counties may impose an owner occupancy
30 requirement for an additional period if such a requirement is
31 supported by findings of the need for such an increased requirement
32 adopted by the city or county after at least two public hearings are
33 held on the proposal, and any ordinance, development regulations, and
34 other official controls finally adopted directly address feedback
35 from the community. Such an additional period of owner occupancy
36 restrictions must be geographically limited, and may not apply to all
37 of the residential zones within the city or county.

38 (b) Cities and counties may adopt ordinances, development
39 regulations, and other official controls, including the imposition of
40 fees, impact fees, or taxes, or the waiver of taxes, fees, or

1 specific regulations, to encourage use of accessory dwelling units
2 for long-term housing. Cities and counties may only offer such
3 reduced impact fees, deferral of taxes, or other incentives for the
4 development or construction of accessory dwelling units if such units
5 are subject to effective binding commitments or covenants that the
6 units will not be regularly offered for short-term rental and the
7 city or county has a program to audit compliance with such
8 commitments or covenants.

9 (c) Cities and counties that impose owner occupancy requirements
10 on lots containing accessory dwelling units must provide for a
11 hardship exemption from any owner occupancy requirements applicable
12 to a housing or dwelling unit on the same lot as an accessory
13 dwelling unit. Such an exemption must allow an owner to offer for
14 rental for periods of 30 days or longer a dwelling unit or housing
15 unit as if a dwelling or housing unit on the property was owner
16 occupied, when the owner no longer occupies the primary residence due
17 to age, illness, financial hardship due to the death of a spouse,
18 domestic partner, or co-owner of the property, disability status, the
19 deployment, activation, mobilization, or temporary duty, as those
20 terms are defined in RCW 26.09.004, of a service member of the armed
21 forces, or other such reason that would make the owner occupancy
22 requirement an undue hardship on the owner. A city or county shall
23 develop and implement a process for the review of hardship
24 applications. Any city or county that imposes an owner occupancy
25 requirement on lots containing accessory dwelling units and has not
26 provided a hardship exemption from the requirement through
27 ordinances, development regulations, or other official controls as
28 required by this subsection may not impose or enforce an owner
29 occupancy requirement on any lot containing an accessory dwelling
30 unit until such time as the city or county has adopted the required
31 hardship exemption, except that an owner-occupancy requirement
32 pursuant to (a) of this subsection (2) may be imposed and enforced if
33 the owner of the lot offers an accessory dwelling unit for short-term
34 rental within the county or if the owner of the lot owns more than
35 three accessory dwelling units within the county."

EFFECT: (1) Prohibits GMA counties and cities from imposing owner-occupancy requirements on a lot containing an ADU unless the ADU is being used as a short-term rental, but allows such counties and cities to impose owner-occupancy requirements for the first year of occupancy of the ADU or primary residence after permitting, or for

an additional period if the city or county makes findings after at least two public hearings that such a restriction is necessary, addresses community feedback, and is limited in geographic scope.

(2) Allows GMA counties and cities to impose certain fees or taxes or waive such fees or taxes or provide other incentives for the construction or development of ADUs if the ADUs are subject to effective binding commitments or covenants providing that the ADUs will not be regularly offered for short-term rental, and the city or county has a program to audit compliance with such commitments or covenants.

(3) Requires GMA counties and cities that impose owner-occupancy requirements on lots containing ADUs to provide for a hardship exemption from such owner-occupancy requirements, while providing circumstances that would qualify for a hardship exemption and prohibiting a city or county that has failed to adopt a hardship exemption by certain deadlines from imposing owner-occupancy requirements outside of limited circumstances.

(4) Requires GMA counties and cities to conform to the restrictions on owner-occupancy regulations within two years of the next applicable deadline for its comprehensive plan review.

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