HOUSE BILL REPORT
ESHB 1998

As Amended by the Senate

Title: An act relating to legalizing inexpensive housing choices through co-living housing.

Brief Description: Concerning co-living housing.

Sponsors: House Committee on Housing (originally sponsored by Representatives Gregerson, Barkis, Leavitt, Rule, Ryu, Reed, Morgan, Fitzgibbon, Berry, Duerr, Bronoske, Ramos, Ramel, Bateman, Peterson, Chambers, Taylor, Simmons, Ormsby, Graham, Callan, Macri, Donaghy, Doglio, Mena, Nance, Riccelli, Cortes, Santos, Pollet and Davis).

Brief History:

Committee Activity:

Housing: 1/8/24, 1/11/24 [DPS].

Floor Activity:

Passed House: 2/7/24, 96-0.
Senate Amended.
Passed Senate: 2/22/24, 44-4.

Brief Summary of Engrossed Substitute Bill

- Requires a city or county planning under the Growth Management Act to allow co-living housing on any lot located within an urban growth area that allows at least six multifamily residential units.
- Prohibits a city or county from imposing certain regulations or restrictions on co-living housing.

HOUSE COMMITTEE ON HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Peterson, Chair; Alvarado, Vice Chair; Leavitt, Vice Chair; Klicker, Ranking Minority Member; Connors, Assistant Ranking Minority

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This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Member; Barkis, Bateman, Chopp, Entenman, Hutchins, Low, Reed and Taylor.

Staff: Serena Dolly (786-7150).

Background:

The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. 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.

Counties that fully plan under the GMA must designate urban growth areas (UGAs), within which urban growth must be encouraged and outside of which growth may occur only if it is not urban in nature. Each city in a county must be included in a UGA. Planning jurisdictions must include within their UGAs sufficient areas and densities to accommodate projected urban growth for the succeeding 20-year period.

The GMA also 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. Comprehensive plans must be reviewed and, if necessary, revised every 10 years to ensure that it complies with the GMA. When developing their comprehensive plans, counties and cities must consider various goals set forth in statute.

Each comprehensive plan must include a plan, scheme, or design for certain mandatory elements, including a housing element. The housing element must ensure the vitality and character of established residential neighborhoods.

Summary of Engrossed Substitute Bill:

Co-living housing is a residential development with sleeping units that are independently rented and lockable and provide living and sleeping space, in which residents share kitchen facilities with other sleeping units in the building. Local governments may use other names to refer to co-living housing including congregate living facilities, single room occupancy, rooming house, boarding house, lodging house, and residential suites.

By December 31, 2025, a fully planning city or county must adopt development regulations allowing co-living housing on any lot located within a UGA that allows at least six multifamily residential units, including on a lot zoned for mixed use development. In addition, a city or county may not require co-living housing to:

- contain room dimensional standards larger than that required by the State Building

Code, including dwelling unit size, sleeping unit size, room area, and habitable space;
- provide a mix of unit sizes or number of bedrooms; or
- include other uses.

A fully planning city or county may not require co-living housing to provide off-street parking within 0.5 miles walking distance of a major transit stop or provide more than 0.25 off-street parking spaces per sleeping unit, unless:

- the city or county submits to the Department of Commerce (Commerce) an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and Commerce finds and certifies, that the application of the off-street parking limitations for co-living housing will be significantly less safe for vehicle drivers or passengers, pedestrians, or bicyclists than if the jurisdiction's parking requirements were applied to the same location; or
- the housing is located in a portion of a city within a 1-mile radius of a commercial airport in Washington with at least 9 million annual enplanements.

A fully planning city or county may not:

- require any standards for co-living housing that are more restrictive than those required for other types of multifamily residential uses in the same zone;
- exclude co-living housing from participating in affordable housing incentive programs;
- treat a sleeping unit in co-living housing as more than one-quarter of a dwelling unit for purposes of calculating dwelling unit density; and
- treat a sleeping unit in co-living housing as more than one-half of a dwelling unit for purposes of calculating fees for utility connections.

A city or county may only require a review, notice, or public meeting for co-living housing that is required for other types of residential uses in the same location, unless otherwise required by state law.

Any action taken by a city or county to implement co-living housing requirements is not subject to a legal challenge under the GMA or the State Environmental Policy Act (SEPA).

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment clarifies that a city or county may not treat a sleeping unit in co-living housing as more than one-half of a dwelling unit for purposes of calculating fees for sewer connections, rather than utility connections, and provides an exception if the city or county makes a finding, based on facts, that the sewer connection fees should exceed the one-half threshold.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The key to solving the housing crisis is building all types of housing. Co-living housing is not a new idea. It is a small, simple, and affordable housing solution that was very common until cities regulated it out of existence. Co-living housing is affordable housing that does not require a subsidy. Some people want to live in shared housing or cannot afford to live in other housing in their chosen community. The shared spaces can create a sense of community for its residents. Aging in place means aging in the community people want to live in. Housing choices for seniors can be limited, and co-living housing creates an option for seniors who can then sell their house to a larger household who needs it. Excessive parking is not needed for co-living housing. The parking standards included are based on the actual experiences of cities in the state. Parking makes housing more expensive, and housing for people needs to be prioritized over parking for cars.

(Opposed) None.

(Other) Cities have not expressed a lot of objections to the bill. There is some speculation that requiring co-living housing to be allowed everywhere multifamily housing is allowed could result in some cities limiting zoning for multifamily housing. Cities and counties have some concerns about the calculation of permitting and utility fees. Because fees are set on the actual costs, cities and counties may have to shift some of the fees to other types of housing. The requirement that co-living housing must be treated the same as other types of housing also raises some concerns that building code requirements for larger buildings may not be able to be applied. Planners believe that co-living housing increases the demand for parking, and if the developers are not providing parking, the responsibility will shift to cities and counties. The current timeline for implementation should be adjusted to reflect that many cities and counties are in the process of making their comprehensive plan updates and may need more time to implement this requirement. There is some concern that co-living housing would need to be treated like convalescent homes under the building code.

Persons Testifying: (In support) Representative Mia Gregerson, prime sponsor; Ben Stuckart, Spokane Low Income Housing Consortium; Cynthia Stewart; Dan Bertolet, Sightline Institute; Angela Rozmyn, Natural and Built Environments; David Neiman, Neiman Taber Architects PLLC; Benjamin Maritz, Great Expectations LLC; Cathy MacCaul, AARP Washington State; Bryce Yadon; Morgan Irwin, Association of Washington Business; Tedd Kelleher, Department of Commerce; and Representative Andrew Barkis.

(Other) Carl Schroeder, Association of Washington Cities; and Paul Jewell, Washington State Association of Counties.

Persons Signed In To Testify But Not Testifying: None.