
SUBSTITUTE SENATE BILL 6364

State of Washington

66th Legislature

2020 Regular Session

By Senate Housing Stability & Affordability (originally sponsored by Senators Zeiger and Mullet)

READ FIRST TIME 02/06/20.

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 of the housing unit that provides a
17 proportionally lower impact fee for single-family homes with lower
18 square footage. In determining proportionate share, the formula or
19 other method of calculating impact fees shall incorporate, among
20 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.

--- END ---