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Advocacy

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Newly passed affordable housing bills require city action on tight timelines

Contact: [Carl Schroeder](#), [Shannon McClelland](#)

Two major housing-related bills that passed the 2019 Legislature promise significant benefits, but only if your city acts within strict timelines.

Don't miss out on twenty years of revenue from the state to support city housing needs

In [HB 1406](#), the state approved a revenue sharing program for local governments. The program provides up to 0.0146% in local sales and use tax credited against the state sales tax for housing investments. The tax credit is available in increments of 0.0073%, depending on the imposition of other local taxes and whether your county also takes advantage of the credit. The tax credit is in place for up to 20 years and can be used for acquiring, rehabilitating or constructing affordable housing; operations and maintenance of new affordable or supportive housing facilities; and, for smaller cities, rental assistance. The funding must be spent on projects that serve persons whose income is at or below sixty percent of the area median income. Cities can also issue bonds to finance the authorized projects.

This local sales tax authority is a credit against the state sales tax, so it does not increase the sales tax for the consumer. **There are tight timelines that must be met to access this funding source – the first is January 31, 2020 to pass a resolution of intent. The tax ordinance must then be adopted by July 27, 2020 to qualify for a credit.**

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Pacifica Law Group has helpfully provided a [sample resolution of intent](#) you can use to take the first step of this process. Please make plans to adopt a resolution of intent before the January 31 deadline, preserving your opportunity to access these new resources for housing in your city.

AWC will be providing additional educational materials and guidance throughout the rest of the year, starting at the AWC Annual Conference in Spokane at the end of this month. Stay tuned!

Time-limited opportunity for financial support to develop local housing action plans and adopt ordinances to increase residential capacity

[HB 1923](#) was the result of a long series of conversations about what it would take to help cities better accommodate coming growth while providing a greater variety of housing types. The legislation provides an opportunity for cities to receive grants from the Department of Commerce to develop and adopt ordinances to increase residential capacity by taking certain defined actions – but only if action is taken under strict timelines. These actions, if adopted by April 1, 2021 are not subject to legal appeal under the State Environmental Policy Act (SEPA) or the Growth Management Act (GMA). Cities will still need to go through existing review processes and timelines, including securing and considering public input. But once a city balances those considerations and formally decides on a course of action, it would be final and not subject to legal appeal under SEPA or GMA.

The following specific actions qualify under this bill (note that these are summaries and there are important nuances to qualifying ordinances under these topics):

- Authorize development capacity of at least fifty units per acre near commuter or light rail stations.
- Authorize development capacity of at least twenty-five units per acre near high frequency bus stops.
- Authorize a duplex, triplex or courtyard apartment on all parcels in a zoning district that allows single family homes.
- Authorize cluster zoning or lot size averaging in all zoning districts that allow single family homes.
- Authorize accessory dwelling units (ADUs) with specific policy provisions.
- Adopt a SEPA subarea plan that leverages transit infrastructure or regional centers.
- Adopt a SEPA planned action that includes residential or mixed-use development.
- Utilize the SEPA infill authority to increase categorical exemption thresholds for residential or mixed-use development in areas not meeting planned density.
- Adopt form-based codes.
- Authorize a duplex on all corner lots in single-family zones.
- Adopt optional maximum thresholds under the short subdivision process.
- Authorize a minimum net density of six dwelling units per acre.

The grant amount for cities with a population more than twenty thousand who intend to adopt two of the actions from this list is a \$100,000—with an opportunity to apply for more than that amount if they can demonstrate extraordinary potential to increase housing supply or regulatory streamlining.

Cities that want to develop their own approaches to address housing challenges or supplement the actions listed above are also eligible to receive funding of \$100,000 for a **local housing action plan**. That housing action plan must:

- Quantify existing projected housing needs for all income levels, with documentation.
- Develop strategies to increase the supply of housing needed by those income levels.
- Analyze population and employment trends.
- Consider strategies to minimize displacement of low-income residents resulting from redevelopment.
- Review and evaluate the current GMA housing element.
- Provide for participation and input from a variety of stakeholders.
- Include a schedule of programs and actions for implementation of the action plan.

Again, to qualify for these incentives, **cities need to act by April 1, 2021**. We encourage you to take advantage of this opportunity and will be providing more educational materials throughout the year to support your efforts.

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