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City of Olympia Planning Commission
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Affordable Housing/Homelessness

New Revenue

SHB 1406 authorizes a city or county to impose a local sales tax, credited against the state sales tax, for affordable or supportive housing. The maximum rate may not exceed 0.0146 percent or 0.0073 percent.

Cities that have imposed a local housing levy may impose the full credit within city boundaries for the first 12 months following the effective date of the bill (July 28, 2019). Cities must adopt a resolution of intent to adopt legislation within 6 months of the effective date of the bill, and adopt legislation to authorize the maximum capacity of the tax within 1 year of the effective date of the bill.

The revenue may be used to acquire, rehabilitate, or construct affordable housing or fund the operation and maintenance of new units of affordable or supportive housing for persons whose income is at or below 60% AMI.

A county or city may bond against the revenue to acquire, rehab, or construct affordable housing.

Counties with a population of 400,000 or less and cities with a population of 100,000 or less may also use the revenue to provide rental assistance to tenants.

Increase residential building capacity

E2SHB 1923 provides a menu of options a city can take to increase density and reduce regulatory barriers. Cities that take at least two action to increase residential building capacity by April 1, 2021 are eligible to apply for a grant of up to $100,000 to support planning and outreach efforts.

After five years, cities that have taken action can use revenue created through a new $2.50 document recording fee for operation & maintenance costs of permanent supportive housing and affordable housing for very low (50% AMI) and extremely low (30% AMI) income households.

If taken prior to April 1, 2021, the actions taken by a city to implement the residential building capacity elements are exempt from administrative or judicial appeal under SEPA and the Growth Management Act.

REET 2

EHB 1219 which allows cities and counties to continue to use REET 2 revenue for the planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of facilities for persons experiencing homelessness and affordable housing projects until January 1, 2026, as long as it documents in its capital facilities plan that it has funds during the next two years for certain capital projects; e.g., planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems.

The annual amount of REET 2 revenue a city or county may use for homelessness and affordable housing projects is limited to the greater of $100,000 or 25 percent of available funds, but not to exceed $1 million, unless the city or county used REET 2 revenue to provide housing for the homeless before June 30, 2019.

Tenant and Mobile Home Protections

HB 1105 helps homeowners facing foreclosure after falling behind on property tax payments, including payment options, and resources for housing counseling. (effective 1/1/20)

HB 1440 gives tenants 60 days (instead of 30 days) notice of rent increases, and an increase may not become effective before the end of the term of the rental agreement. (Landlord must provide 30 days notice for subsidized tenancies.)

HB 1462 provides for at least 120 days' written notice to tenants of plans to demolish, substantially rehabilitate or change use of premises.

SB 5600 gives tenants 14 days (instead of 3) to catch up on late rent before losing their homes. Judges will be allowed discretion in the interest of justice, and there will be limits to tenants paying their landlord's attorney fees.

HB 1582 increases the notice to pay or vacate from 5 days to 14 days for manufactured/mobile home tenants.

ESSB 5183 incorporates five House Bills drafted from many stakeholder meetings over a period of more than 2 years. The legislation will help preserve manufactured homes as an ongoing form of housing and foster replacement of aging units with newer units in existing communities. The Relocation Coordination Program is created at the Department of Commerce to assist tenants of a mobile home park scheduled for closure or conversion to another use. The bill authorizes qualifying manufactured/mobile home park tenants to use Relocation Assistance Program funds to secure housing that is not a manufactured home. The Department of Commerce is required to distribute, for each eligible tenant, up to 40% of the total financial assistance as cash assistance to help the tenant secure new housing and the remainder as reimbursement for costs associated with relocation.

Condo liability reform

ESB 5334 modifies the implied warranties for construction of a condominium by requiring condominiums to be constructed in accordance with applicable building codes. Additionally, it requires a purchaser to prove an alleged breach of warranty has an adverse affect on performance. The purchaser must prove the alleged breach:

- is more than technical;
- is significant to a reasonable person; and
- has caused or will cause physical damage to the unit or common elements; has materially impaired the performance of mechanical, electrical, plumbing, elevator, or similar building equipment; or presents an actual unreasonable safety risk to the occupants of the condominium.

Prevailing rate of wages for residential construction

HB 1743 establishes a method for determining prevailing wages for residential construction for affordable housing, including permanent supportive housing and transitional housing, weatherization and home rehab program for low-income households, and homeless shelters and domestic violence shelters. This bill addresses the unintended consequences of last year's bill eliminating surveys that failed to distinguish commercial and residential construction.

Tiny Houses

ESSB 5383 authorizes cities and counties to permit tiny houses as a form of an ADU, including those with wheels.

Cities and towns may adopt ordinances regulating the creation of tiny house communities, including through use of the binding site plan method.

Cities and towns may not adopt ordinances that prevent entry or require removal of a tiny house with wheels used as a primary residence in a manufactured/mobile home community, with the exception that ordinances may require that tiny houses with wheels contain at least one internal toilet and one internal shower unless the community provides showers and toilets.

The owner of land on which a tiny house community is located must make reasonable accommodation for utility hookups for water, power, and sewer services in compliance with the Manufactured/Mobile Home Landlord-Tenant Act (MHLTA).

Tenants of tiny house communities are entitled to all rights and subject to all duties and penalties under the MHLTA.

Tiny house community is defined as real property rented or held out for rent to others for the placement of tiny houses with wheels or tiny houses using the binding site plan method.

Tiny house and tiny house community is defined as a dwelling to be used as permanent housing with permanent provisions for living, sleeping, eating, cooking, and sanitation built in accordance with the state building code.

Tiny houses and tiny houses with wheels are subject to factory-built housing standards and rules administered by the Department of Labor and Industries.

The Council must adopt building code standards specific for tiny houses by December 31, 2019.

Schools and training programs for students may contract with community service and nonprofit organizations to build tiny houses for low-income housing, without regard to competitive bidding laws for public works, if the students participating in the building of the tiny houses are in:

- training in a community and technical college construction or construction management program;
- a career and technical education program;
- a state recognized apprenticeship preparation program; or
- training under a construction career exploration program for high school students administered by a nonprofit organization.

Housing development on religious organization property

SHB 1377 requires cities and counties planning under the GMA to allow an increased density bonus for certain projects owned or controlled by a religious organization if the affordable housing development:

- is set aside for, or occupied exclusively for, low-income households. "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is less than 80 percent of the median family income, adjusted for household size for the county where the affordable housing development is located;
- is part of a lease or other binding obligation that requires development to be used exclusively for affordable housing purposes for at least 50 years, even if the religious organization no longer owns the property; and
- does not discriminate against any person who qualifies as a member of a low-income household.

A city or town, code city, or county may develop policies to implement the increased density bonus if it receives a request from a religious organization for the increased density bonus. The religious organization developing the qualifying affordable housing must pay all fees, mitigation costs, and other charges required and, if applicable, should work with local transit agencies to ensure appropriate transit services are provided to the affordable housing development.

"Affordable housing development" means a proposed or existing structure in which 100 percent of all single-family or multifamily residential dwelling units within the development are set aside for or are occupied by low-income households at a sales price or rent amount that may not exceed 30 percent of the income limit for the low-income housing unit. An affordable housing development created by a religious institution within a city or county fully planning under the GMA must be located within an urban growth area

Property tax exemptions

ESSB 5160 modifies the qualifying income thresholds for the property tax exemption and deferral programs for low-income senior citizens, individuals with disabilities, and veterans beginning in calendar year 2020.

Economic Development

Commercial Office Space

SHB 1746 provides cities with local options to incentivize the development of commercial office space in urban centers with access to transit, transportation systems, and other amenities. This local option is only available to cities not located in King County.

Climate Change and the Environment

Clean Energy

SB 5116 is Governor request legislation that requires all electric utilities to eliminate coal-fired resources from their allocation of electricity by December 31, 2025; requires that all retail sales of electricity to Washington customers be greenhouse gas neutral by January 1, 2030; and requires each electric utility to demonstrate its compliance with the Clean Energy Standard by January 1, 2045.

The final operating budget provided $2.5 million for Commerce to develop a state energy strategy to implement Senate Bill 5116. $1 million in funding is also provided to the Utilities and Transportation Commission, and $187,000 in combined one-time and ongoing funding is provided to Ecology for to develop criteria for energy transformation projects and conduct rulemaking.

Energy Efficiency

3E3SHB 1257 requires the Department of Commerce, by November 1, 2020, to establish a State Energy Performance Standard for covered commercial buildings.

"Covered commercial building" means a building where the sum of nonresidential, hotel, motel, and dormitory floor areas exceeds 50,000 gross square feet, excluding the parking garage area. The Department must provide the owners of covered buildings with notification of compliance requirements no later than July 1, 2021

The Standard must include energy use intensity targets by building type and methods of conditional compliance that include an energy management plan, operations and maintenance program, energy efficiency audits, and investments in energy efficiency measures designed to meet the targets.

Penalties would apply if a building owner does not meet the energy use standard for the building type

The Department may impose an administrative penalty upon a building owner for failing to submit documentation demonstrating compliance with the requirements of the Standard. The penalty may not exceed $5,000 plus an amount based on the duration of any continuing violation. The additional amount for a continuing violation may not exceed a daily amount equal to $1 per year per gross square foot of floor area. The Department may by rule adjust the maximum penalty rates for inflation.

The bill establishes a State Energy Performance Standard Early Adoption Incentive Program to assist building owners with more significant challenges in meeting their energy use intensity target. An eligible building owner that demonstrates early compliance with the applicable energy use intensity target under the Standard may receive a base incentive payment of $0.85 per square foot of floor area, excluding parking, unconditioned, or semi-conditioned spaces. There is a cap of $75 million for the maximum amount of incentive payments.

It requires the State Building Code Council to develop rules for electric vehicle infrastructure that require electric vehicle charging capability at all new buildings that provide on-site parking. Where parking is provided, the greater of one parking space or 10 percent of parking spaces, rounded to the next whole number, must be provided with wiring or raceway size to accommodate 208/240 V 40-amp or equivalent electric vehicle charging.

Capital Budget Projects

- $3M for the Interfaith Works Shelter (Housing Trust Fund)
- $600K for the Family Support Center (Early Learning Facilities)
- $250K for the Abigail Stuart House (2020 LCP)
- $500K for the Lions Park Sprayground (WWRP)
- $1M for LBA Woods Boulevard Rd. parcel acquisition (WWRP)
- $428K for Grass Lake Nature Park trail construction ($860 was requested). We can pursue the rest in the supplemental.