

**CITY COUNCIL STUDY SESSION**

## State Legislative Update

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**DIRECTION NEEDED FROM COUNCIL****DIRECTION**

The Washington State Legislature is discussing potential bills to address Washington's housing affordability and availability crisis. Bellevue staff is seeking Council direction on House Bill (HB) 1110 and Senate Bill (SB) 5190, which would require cities to allow up to fourplexes on all residential lots and make other requirements.

**RECOMMENDATION**

Direct staff to weigh in as "Other" on HB 1110/SB 5190 and submit a comment letter addressing minimum zoning requirements, density near major transit, parking requirements, and affordability.

**BACKGROUND & ANALYSIS**

The Washington State Legislature convened for a 105-day session on January 9. Elsewhere in the meeting agenda materials, Council has a state legislative update from City staff and consultants. Housing affordability and availability is a top concern facing the Legislature.

*Housing Supply*

One contributing factor is the lack of housing supply. Population growth in Washington has outpaced residential construction, which has driven up housing costs. Washington has the fewest houses per household of any state. The Washington State Department of Commerce estimates that more than one million new homes are needed by 2044 and half of those homes need to be deeply affordable at 0-50 percent of the area median income.

*Equity*

Homeownership is lower for communities of color in Washington. According to the U.S. Census Bureau, approximately 67 percent of white adults living in Washington are homeowners, compared to 31 percent of Black or African American adults. The national homeownership rate for Black or African American people is approximately 43 percent.

*House Bill (HB) 1110 and Senate Bill (SB) 5190*

[HB 1110](#) sponsored by Representative Jessica Bateman (D-22 LD) and its companion legislation, [SB 5190](#) sponsored by Senator Yasmin Trudeau (D-27 LD), would amend the *Growth Management Act*,

chapter 36.70A RCW, to require that any city with a population of 6,000 or more or any city within a contiguous urban growth area with a city with a population of 200,000 or more to authorize middle housing in all residential zones.

This would include the development of at least four units per lot on all lots zoned for residential use, six units per lot in all residential zones if two of the six units are affordable at 60 percent median household income or below for rental units or 80 percent median household income or below for owner-occupied units, and at least six units per lot in all residential zones within one-half mile of a major transit stop.

Under this proposal, cities would be prohibited from requiring off-street parking as a permitting condition for middle housing within one-half mile of a major transit stop. Cities would also be prohibited from requiring more than one off-street parking space as a permitting condition for middle housing on lots smaller than 6,000 square feet. Additionally, cities could not require more than two off-street parking spaces per lot as a permitting condition for middle housing on lots larger than 6,000 square feet.

The House version of the legislation was heard in the House Committee on Housing on January 17. The Senate Local Government, Land Use, and Tribal Affairs Committee voted to refer their chamber's version to the Senate Housing Committee with no recommendation on January 12. It has been scheduled for a public hearing on January 25.

#### *Comparison to HB 1782*

Representative Bateman introduced a similar bill, HB 1782, in the 2022 session. Bellevue opposed the bill, which was inconsistent with the City's 2022 State Legislative Agenda.

Key changes to the legislation since the 2022 session include:

- City size. HB 1782 exempted cities under 20,000 in population. HB 1110/SB 5190 only exempts cities under 6,000 that are outside of the Seattle and Spokane metropolitan areas.
- Additional allowance for affordable housing. HB 1782 allowed up to fourplexes on residential lots. HB 1110/SB 5190 allows up to sixplexes if two of the units are affordable, as defined in the bill as 60 percent median household income or below for rental units and 80 percent median household income or below.
- No minimum net density option. HB 1782 provided an alternative to cities zoned for a minimum net density of 33 dwelling units per acre.

#### *City Input on HB 1110 and SB 5190*

A number of cities weighed in at the January 17 House Committee on Housing.

- Bothell – Pro
- Burien – Pro
- Kirkland – Pro
- Olympia – Pro
- Port Townsend – Pro
- Seattle – Pro
- Spokane – Pro

- Association of Washington Cities – Other
- Bonney Lake – Other
- Covington – Other
- Kent – Other
- Redmond - Other
- Spokane Valley – Other
- Tacoma – Other
- Battle Ground – Con
- Gig Harbor – Con
- Maple Valley – Con
- Port Orchard – Con
- Poulsbo - Con
- Puyallup – Con

Many of the cities that weighed in as “other” requested amendments that would enable those cities to potentially support the bill. Chief themes among these comments:

- Focused upzoning rather than minimum requirements for every residential lot
- Clarification around the bill’s “grandfathering” language
- Displacement, and
- Infrastructure deficiency

#### *Staff Recommendation*

Based on Bellevue’s 2023 State Legislative Agenda and the City’s housing policies, Bellevue staff recommends that the City weigh in as “Other” on HB 1110/SB 5190. In addition, Bellevue staff recommends the City submit the following comments about the bill:

- Minimum zoning requirements. HB 1110/SB 5190 define “middle housing” as “buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached, stacked, or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, courtyard apartments, and cottage housing.” However, fiveplexes and sixplexes are generally larger in size than what is currently allowed in single family zones. Cottage housing and courtyard apartments generally are more distinct from single family up to fourplexes in terms of number of units, size and layout of buildings. Bellevue requests amending HB 1110/SB 5190 to require up to fourplexes and to omit cottage housing and courtyard apartments from the citywide requirements, while allowing cities to permit them in other residential zones throughout the city.
- Density near major transit. HB 1110/SB 5190 requires cities to allow at least six units per lot within one-half mile of a major transit stop. Bellevue has a transit-oriented growth strategy and is planning for much higher density in areas adjacent to most future light rail stations. Bellevue encourages legislators to utilize the tremendous transit-oriented development potential adjacent to future light rail stations and bus rapid transit stations.
- Parking requirements. Bellevue uses a scaled approach to parking requirements based on the

lot's proximity to frequent transit. Bellevue recommends amending HB 1110/SB 5190 to use a similar approach.

- **Affordability.** As described above, HB 1110/SB 5190 requires cities to allow six units per lot in all residential zones if two of the six units are affordable at 60 percent median household income or below for rental units for at least 50 years. This option does not provide sufficient incentive to result in a significant amount of new affordable units. To impact affordability more effectively, the legislature should make significant investments through the state biennial budgets to fund new and established programs to aid local governments and non-profit organizations in creating and preserving low-income housing units.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

City Council adopted its 2023 State Legislative Agenda on November 21. *Affordable Housing and Land Use* is one of Council's top legislative priorities.

### **Fiscal Impact**

The fiscal impact of HB 1110/SB 5190 is unknown.

## **OPTIONS**

1. Direct staff to weigh in as "Other" on HB 1110 and SB 5190, and draft and submit a comment letter addressing minimum zoning requirements, density near major transit, parking requirements, and affordability.
2. Provide alternative direction to staff.

## **ATTACHMENTS**

- A. Bellevue 2023 State Legislative Agenda

## **AVAILABLE IN COUNCIL LIBRARY**

N/A