

# New Rules for Housing and the systems that support it

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HOUSING PROGRAMS MANAGER

GROWTH MANAGEMENT SERVICES

10/24/2023

## Takeaways for Planners

- Don't panic
- Work with your providers



Washington State  
Department of  
**Commerce**

# We strengthen communities



HOUSING AND HOMELESSNESS



INFRASTRUCTURE AND BROADBAND



SMALL BUSINESS ASSISTANCE



ENERGY



PLANNING AND TECH ASSISTANCE



COMMUNITY SERVICES AND FACILITIES



CRIME VICTIMS AND PUBLIC SAFETY



ECONOMIC DEVELOPMENT

# Presentation Overview

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1. A million new units and new infill laws
2. Capital facility planning
3. Planning for additional housing (Kirkland)
4. Equitable infrastructure planning (Tacoma)
5. Questions / discussion



# Washington state land use planning

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Growth Management Act and Other State Statutes



Multi-County Planning Policies  
(Vision 2050)



Countywide Planning Policies



Comprehensive Plan



Development  
Regulations and Permitting

State policy

Regional policy

Local policy

# Housing element:

Amended by HB 1220 (laws of 2021), RCW 36.70A.070(2)

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## **New GMA housing goal:**

- “Plan for and accommodate ~~encourage the availability of affordable housing~~ affordable to all economic segments.”

## **Commerce to provide projected housing need to local governments:**

- For moderate, low, very low, and extremely low-income households
- For permanent supportive housing, emergency housing and emergency shelters

## **Local housing element to:**

- Identify local housing needs based on Commerce’s countywide numbers
- Identify sufficient land capacity for all housing needs
- Document barriers to housing availability & actions needed to address needs
- Identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing and begin to undo them
- Identify areas at risk of displacement and establish anti-displacement policies

# We need 1.1 million new homes over the next 20 years

## Future housing needs broken down by area medium income (AMI) groups



### How did we get projections?

From the OFM population projection for each county, address:

- Group quarters
- **Persons per household**
- Vacancy rate
- Second homes
- Census income data
- Risk of homelessness



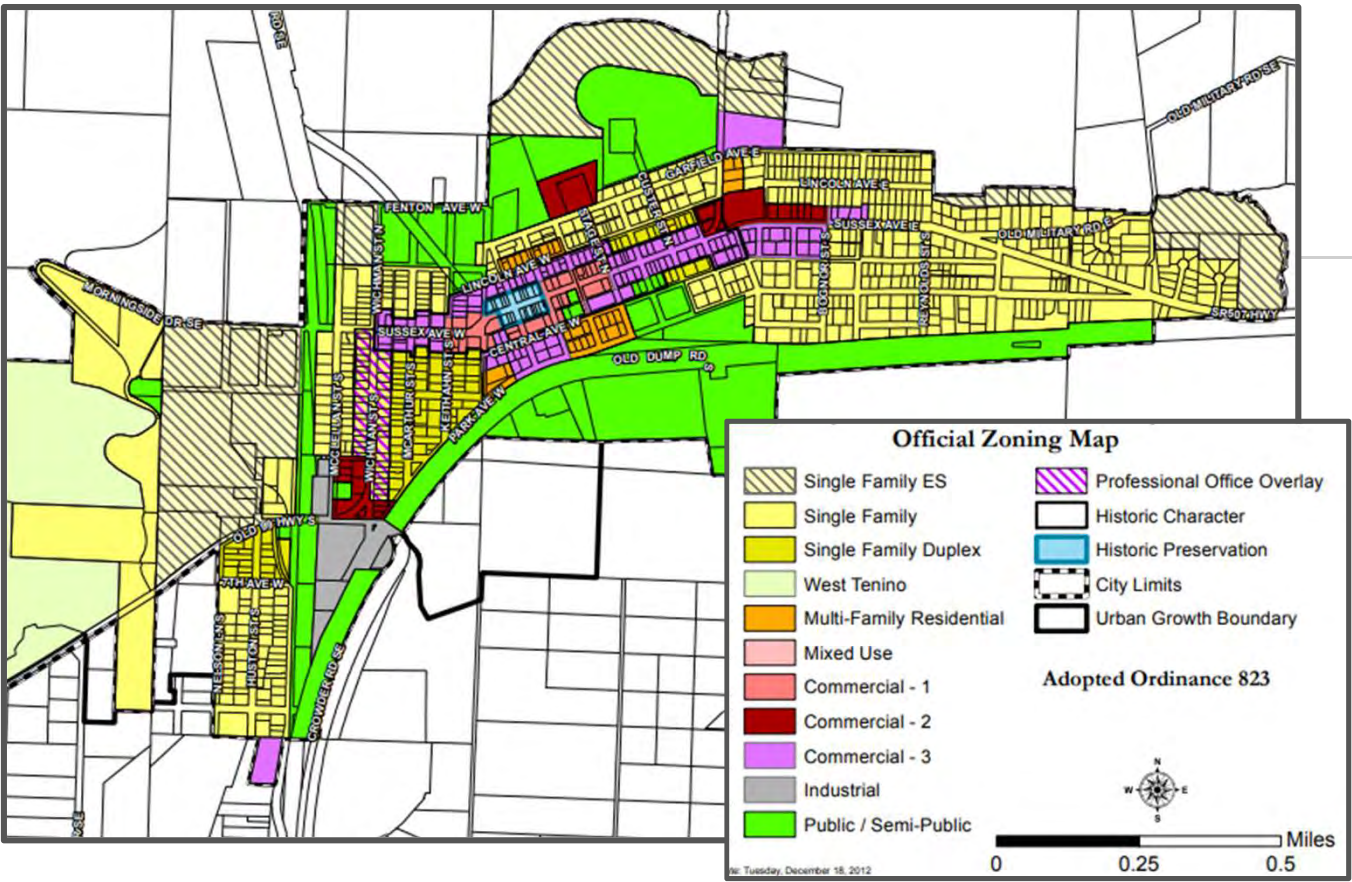
		Sum of Allocation to Jurisdictions (from User Inputs)	54,347	8,757	3,594	8,430	8,269	4,372	4,380	16,545	935
			<b>100.00%</b> Met Target	← Sum of user inputs for jurisdiction shares of county future net housing need. If below 100%, increase shares. If above 100%, decrease shares.							
			<b>Permanent Housing Needs by Income Level (% of Area Median Income)</b>							<b>Emergency Housing Needs (Temporary)</b>	
			<b>Total</b>	<b>0-30%</b> Non-PSH    PSH *		<b>&gt;30-50%</b>	<b>&gt;50-80%</b>	<b>&gt;80-100%</b>	<b>&gt;100-120%</b>		<b>≥120%</b>
		* The location of 68 existing permanent supportive housing units within Thurston County is unknown. Therefore, they are not included in the jurisdiction table below.									
<b>Unincorporated County</b>	Estimated Housing Supply (2020)	56,412	1,117	5	7,001	14,385	10,169	8,113	15,621	0	
	Allocation Method A (2020-2045)	24,837	4,002	1,642	3,853	3,779	1,998	2,002	7,561	428	
<b>Town 1</b>	Estimated Housing Supply (2020)	240	10	0	121	92	7	3	7	0	
	Allocation Method A (2020-2045)	114	18	8	18	17	9	9	35	2	
<b>Big City 1</b>	Estimated Housing Supply (2020)	22,039	443	10	1,759	7,609	6,542	2,671	9,005	0	
	Allocation Method A (2020-2045)	10,902	1,757	721	1,691	1,659	877	879	3,319	188	
<b>Big City 2</b>	Estimated Housing Supply (2020)	25,642	920	97	1,796	9,957	5,790	3,230	11,652	626	
	Allocation Method A (2020-2045)	10,592	1,707	700	1,643	1,612	852	854	5,225	182	
<b>Big city 1 UGA</b>	Estimated Housing Supply (2020)	851	17	0	211	300	211	36	78	0	
	Allocation Method A (2020-2045)	484	78	32	75	74	39	39	147	8	
<b>Big City 2 UGA</b>	Estimated Housing Supply (2020)	781	34	0	211	416	82	12	28	0	
	Allocation Method A (2020-2045)	402	65	27	62	61	32	32	122	7	
<b>Big City 3</b>	Estimated Housing Supply (2020)	10,847	262	0	1,082	4,095	2,547	1,275	1,583	0	
	Allocation Method A (2020-2045)	5,016	808	332	778	763	404	404	1,527	86	
<b>LAMIRD 1</b>	Estimated Housing Supply (2020)	3,455	76	0	247	1,502	1,104	178	148	0	
	Allocation Method A (2020-2045)	2,000	322	132	310	304	161	161	107	34	

User Input - % Share of County Population Growth. Values must sum to 100%

43.70 %
0.21 %
20.06 %
19.49 %
0.89 %
0.74 %
9.23 %
3.68 %

# Options for addressing housing needs:

- Increase areas that allow multifamily residential, especially if served by transit
- Expand “single family” to allow more housing types
- Consider residential in some commercial areas, especially Main Street
- Provide incentives for affordable housing
- Allow emergency housing and permanent supportive housing



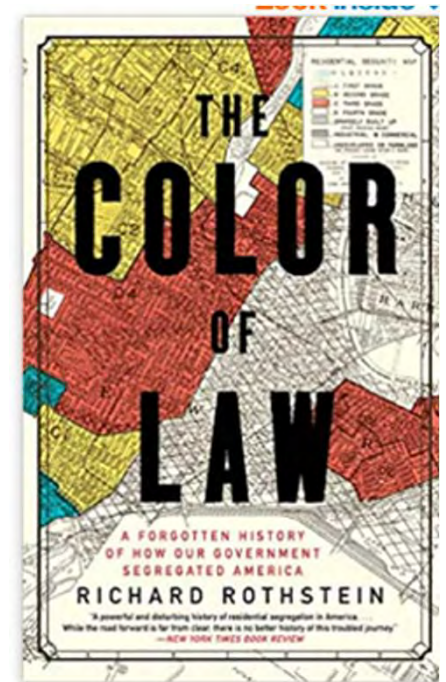
Permanent Housing Needs by Income Level (% of Area Median Income)								Emergency Housing Needs (Temporary)
Total	0-30%		>30-50%	>50-80%	>80-100%	>100-120%	>120%	
	Non-PSH	PSH *						
781	34	0	211	416	82	12	24	0
402	65	27	62	61	32	32	122	7

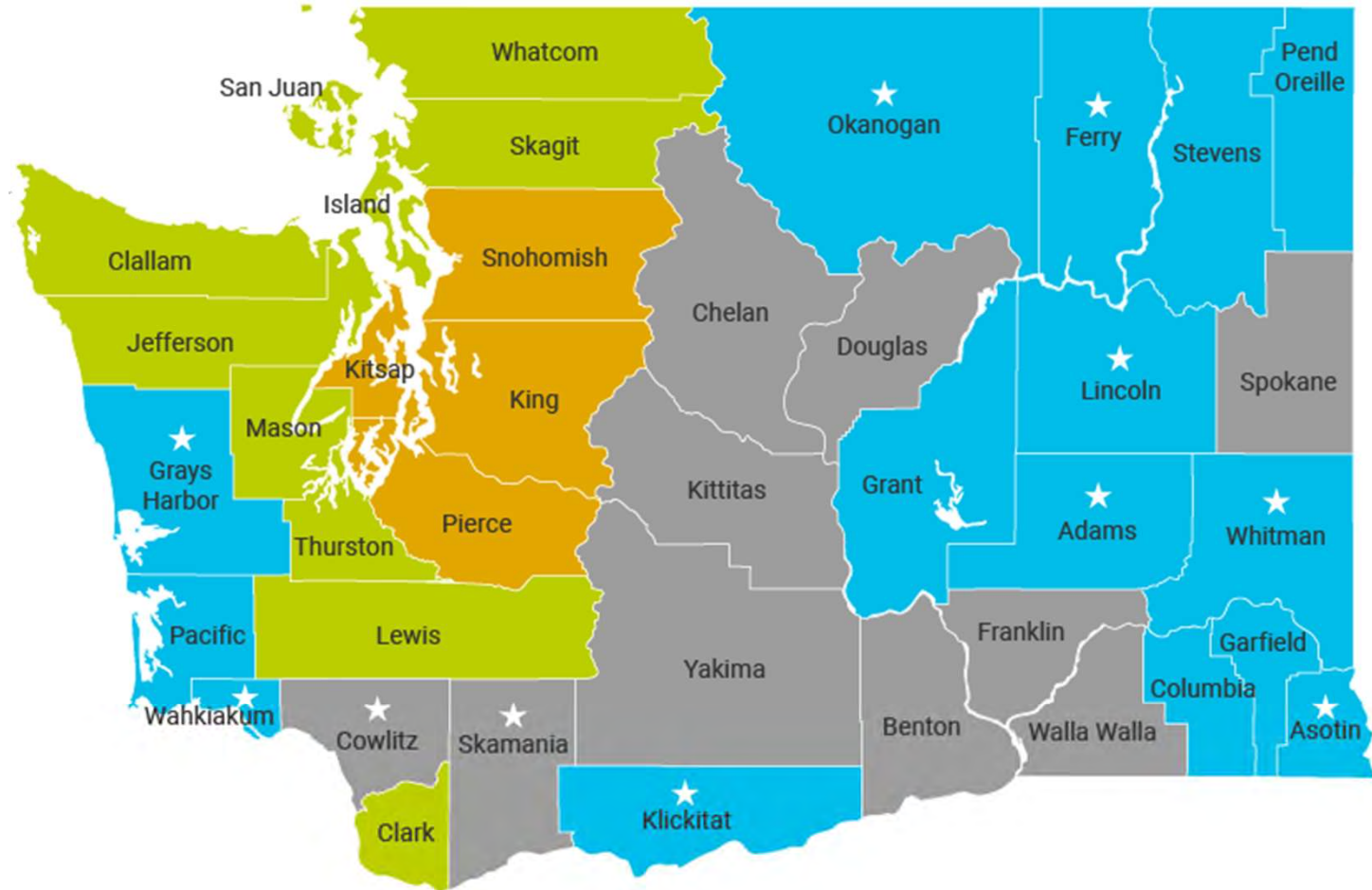


# HB 1220: Disparate impacts, displacement and exclusion

## Housing element to:

- Identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing:
  - Zoning that may have a discriminatory effect
  - **Areas of disinvestment and infrastructure availability**
- Begin to undo racially disparate impacts, displacement, and exclusion in housing
- Identify areas at higher risk of displacement and establish anti-displacement policies including:
  - Preservation of historic and cultural communities
  - Investments in housing for lower income segments
  - Equitable development initiatives & land disposition policies
  - Inclusionary zoning and tenant protections





# GMA Periodic Update due dates.

■ **2024** Due December 31<sup>st</sup>
■ **2025** Due June 30<sup>th</sup>
■ **2026** Due June 30<sup>th</sup>
■ **2027** Due June 30<sup>th</sup>

★ Starred counties are partially planning under the Growth Management Act

# HB 1337 (2023) Accessory Dwelling Units RCW 36.70A.680 and .681



Local governments must, by **6 months after the periodic update due date:**

- **Allow two ADUs per lot in all GMA urban growth areas.**
- **May not require the owner to occupy the property.**
- **May not prohibit sale as independent units.**
- **Must allow an ADU of at least 1,000 square feet and adjust zoning to be consistent with HB 1337**
- **Must set consistent parking requirements based on distance from transit and lot size**
- **May not charge more than 50% of impact fees charged for the principal unit**

# HB 1337 (2023) Accessory Dwelling Units RCW 36.70A.680 and .681



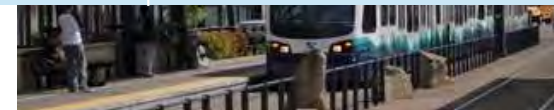
(4) Nothing ... requires or authorizes a city or county to authorize the construction of an ADU where development is restricted under other laws, rules, or ordinances **as a result of physical proximity to on-site sewage system** infrastructure, critical areas, or other unsuitable physical characteristics of a property.

(5) Nothing prohibits a city or county from:  
(d) **Prohibiting the construction of accessory dwelling units on lots that are not connected to or served by public sewers; or**

# HB 1110 Middle Housing

	Affected cities must allow	Affordability bonus	Middle within ¼ mile of major transit stop
Cities of 25k-75k population	2 du/lot on all lots*	4 du/lot if one is affordable*	4 du/lot *
Cities over 75k population	4 du/lot on all lots*	6 du/lot if 2 are affordable*	6 du/lot *
Cities <25k contiguous UGA with largest city in county > 275,000	2 du/lot on all lots*		

- \* Unless zoning permits higher densities
- Based on 2020 populations





HB 1110: RCW [36.70A.638](#)

Extension for lack of infrastructure capacity.

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Any city **choosing the alternative density requirements** in RCW [36.70A.635](#)(4) may apply to Commerce for **an extension** . . . applied **only to specific areas** where **water, sewer, stormwater, transportation infrastructure, including facilities and transit services, or fire protection services lack capacity**

## HB 1110: RCW [36.70A.638](#)

### Extension for lack of infrastructure capacity.

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#### **Extension to remain in effect until:**

- Improvement occurs;
- Next 10-year periodic update; or
- Next 5-year implementation report.

**But must plan, and show cost estimates of needed improvements, if another extension is needed.**

A city granted an extension for a specific area **must allow development if the developer commits to providing the necessary water, sewer, or stormwater infrastructure**

**A city complying with middle housing and not granted a timeline extension does not have to update the Capital Facilities Element until the next periodic update.**

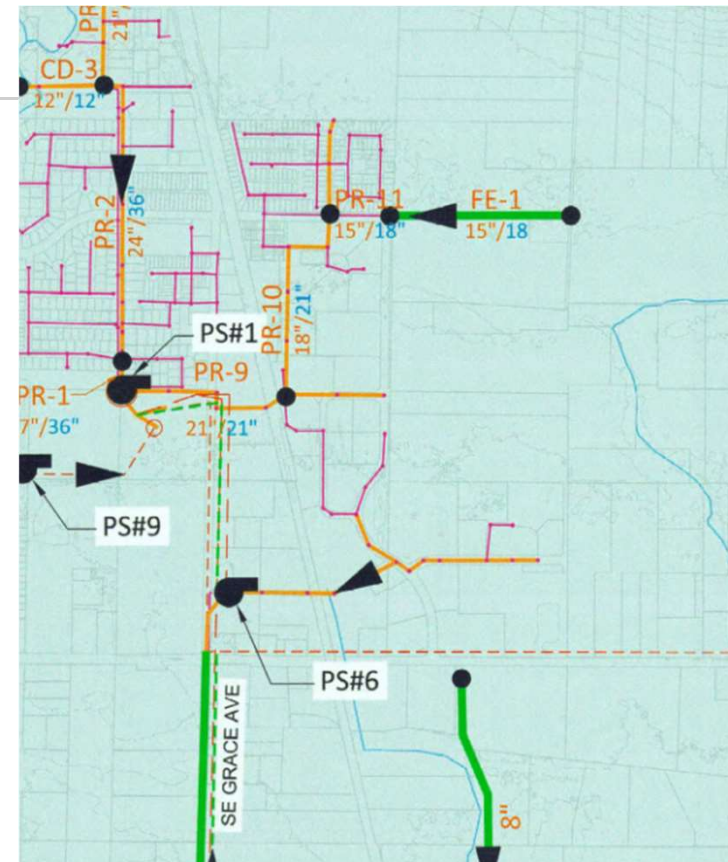
# **The Infrastructure issues: Capital Facility Planning**



# Capital facilities element requirements:

RCW 36.70A.070 (3) WAC 365-196-415

- a. **An inventory of existing capital facilities owned by public entities**, showing the locations and capacities of the capital facilities;
- b. **A forecast of the future needs** for such capital facilities;
- c. The proposed locations and capacities of **expanded or new capital facilities**;
- d. **At least a six-year plan that will finance such capital facilities** within projected funding capacities and clearly identifies sources of public money for such purposes; and
- e. **A requirement to reassess the land use element if probable funding falls short of meeting existing needs** and to ensure that the land use element, capital facilities plan element, and financing plan within the capital facilities plan element are coordinated and consistent.



Battle Ground Sewer System Map

# Proportional impact fees

## Impact Fees

- Transportation
- Parks and recreation
- Schools
- Fire protection

## System Development Charges (SDCs)

- Water
- Sewer
- Stormwater



## Fees based on updated study to:

1. Identify overall system needs
2. Identify which capital needs are to accommodate growth (different than existing deficiencies);
3. Calculate capital costs for such growth;
4. Calculate appropriate connection or impact fee charges for growth, taking into account
  - **Other funding**
  - **Use patterns and overall public benefit**
  - **Unit size and location**
  - **Factors for housing affordability, etc.**



# Good Example: King County Wastewater Capacity Charges in Residential Customer Equivalent (RCE) in a Monthly Fee over 15 years

## SINGLE DETACHED DWELLING UNIT

Net square footage (SF)  
less than 1,500 = 0.81 RCE

Example:  
0.81 RCEs x \$72.50 =  
\$58.73/month



Net SF 1,500 to 2,999 =  
1.0 RCE

Example:  
1.0 RCEs x \$72.50 =  
\$72.50/month



Net SF 3,000 or greater =  
1.16 RCE

Example:  
1.16 RCEs x \$72.50 =  
\$84.10/month



## 2-4 UNITS IN A MULTI-FAMILY BUILDING

0.81 RCEs per unit

Example for two units:  
2 units x 0.81 =  
1.62 RCEs x \$72.50 =  
\$117.45/month



## 5 OR MORE UNITS IN A MULTI-FAMILY BUILDING

0.63 RCEs per unit

Example for six units:  
6 units x 0.63 =  
3.78 RCEs x \$72.50 =  
\$274.05/month



## ADUs AND DADUs\*

0.59 RCEs per unit

Example:  
0.59 RCEs x \$72.50 =  
\$42.78/month



Microhousing  
= .35 RCE

Senior /  
Affordable  
housing  
= .32 RCE

Growth paying for growth

The capacity charge helps pay for the system of pipes, treatment plants, and other wastewater facilities that serve our growing regional customer base.

# What we are hearing from utility providers about infill housing:

- **At a time when affordability is a large and growing concern**, it is critical that utilities be involved early in actual discussions—not simply by reviewing their long-range plans.
- **Connection fee charges** need to be calculated so as to cover utility costs. **Proportional connection fees** if not done carefully, may shift cost burdens to other customers.
- **Relocating existing utility lines** due to new development often places the cost burden on utilities and their ratepayers.

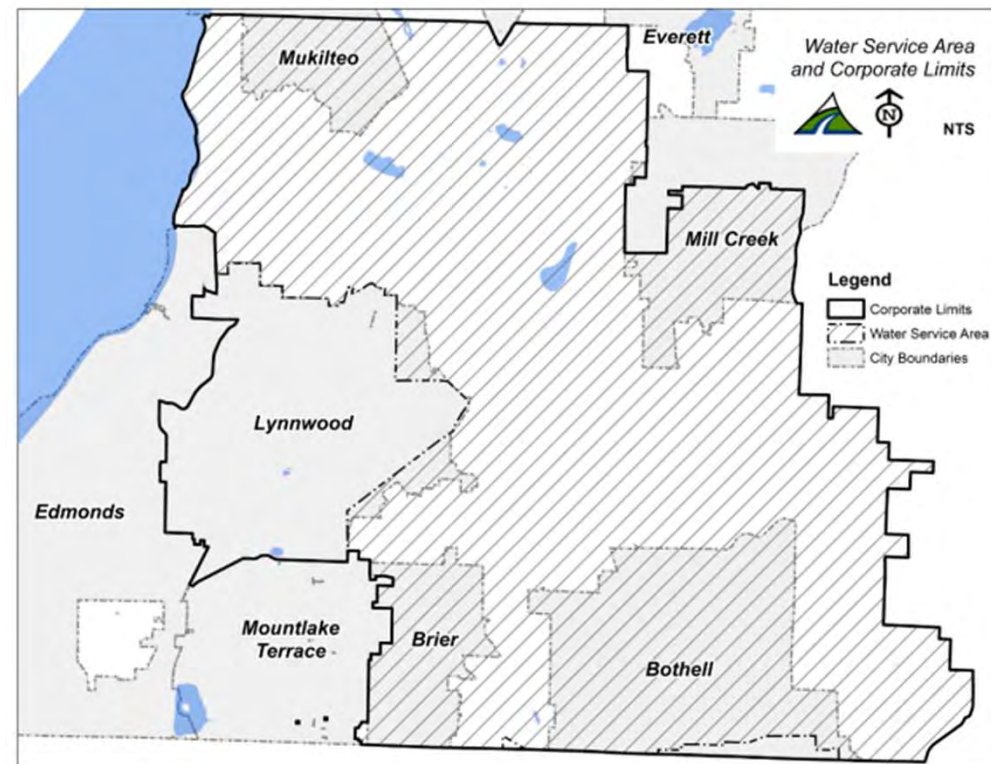


Figure 1.3: Water Service Area and Corporate Area

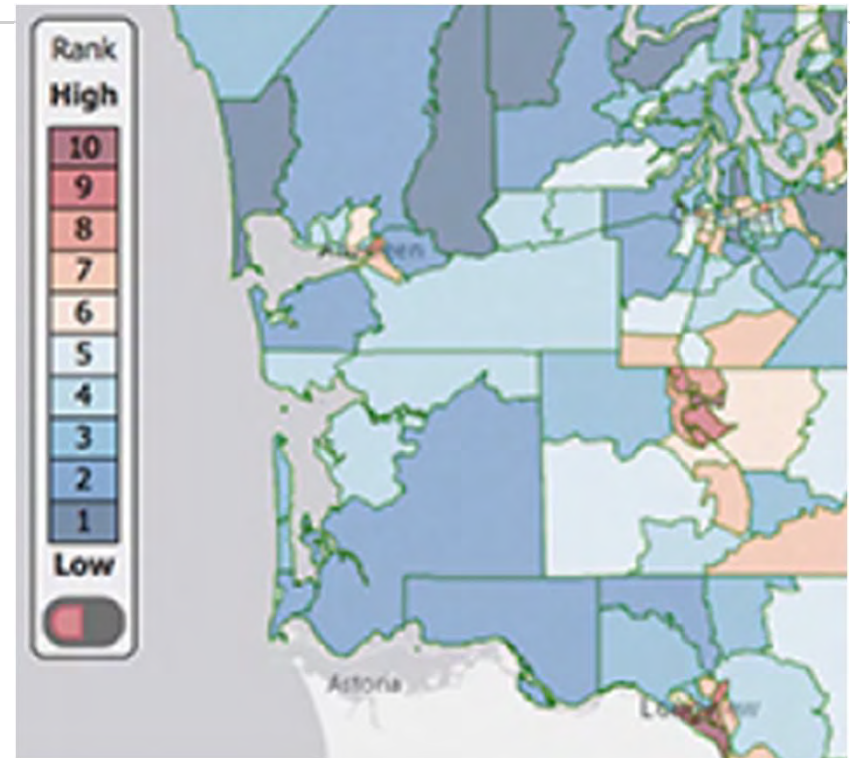
# What we are hearing from utility providers about infill housing:

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- **Utility sizing:** Reduced predictability of development. How to size their lines?
- **Fire flow demands:** Planning agencies, fire services, and water providers need to coordinate closely to assure adequate service.
- **Increased numbers of utility lines (water, sewer, surface water, power, gas, communications, et al) in shrinking rights of way.** Need to coordinate with all such utilities to assure the arrangement is feasible—that the allocated space is large enough to fit what is needed to serve the development.
- **Development guidelines and regulations need to consider how utilities will be accommodated.**

# Considerations in infrastructure planning

- **Is there a plan to fully serve all parts of the urban growth area?**
- **Are all areas equitably provided with infrastructure?**
- **Are strategic investments needed to increase service/capacity to accommodate infill housing? Over what time frame?**
- **Have you reviewed the infrastructure connection fee system for its impact on housing type?**



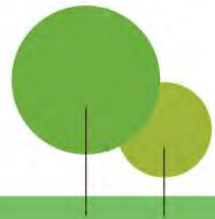
Washington Health Disparities Map (DOH)



# Affordable Housing

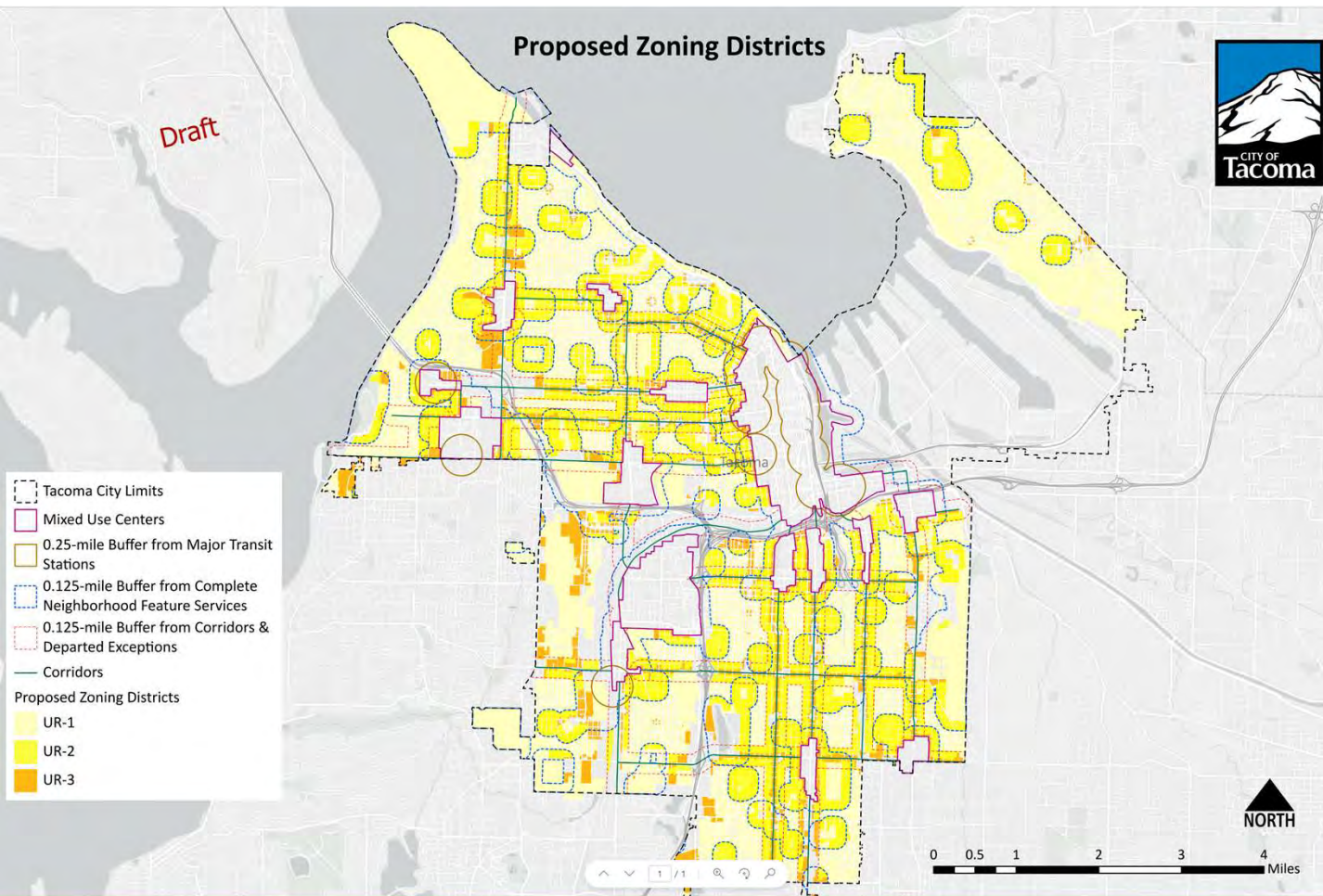
## *Home In Tacoma Project*

Infrastructure in the Context of Infill Development

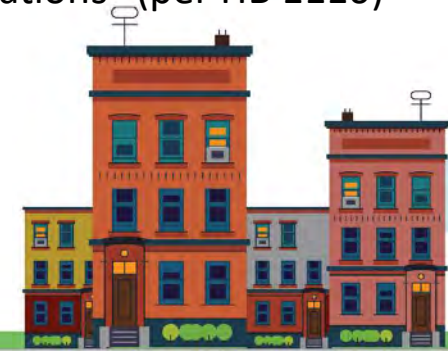




# Proposed “Urban Residential” Zones



- Low-scale Residential: **UR-1** or **UR-2**
- Mid-scale Residential: **UR-3**
- Density in more walkable areas
  - 1/8-mile of “complete neighborhood features”
  - 1/4-mile of “major transit stations” (per HB 1110)



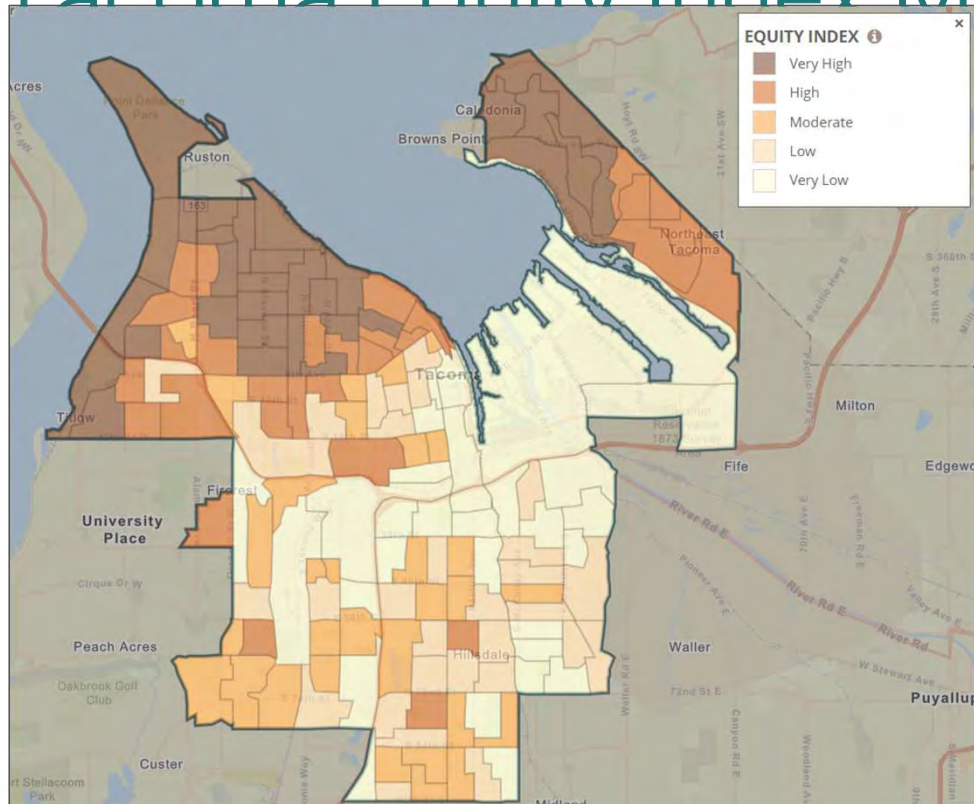
# Draft zoning districts density & housing types

Urban Residential (UR-1) (Lowscale)	Urban Residential (UR-2) (Lowscale)	Urban Residential (UR-3) (Midscale)
<b>DENSITY</b> By right: 1/1500 sf (4 per lot) Density: 1/1000 sf (6 per lot)	By right: 1/1000 sf (6 per lot) Bonus: 1/750 sf (8 per lot)	By right: 1/750 sf (8 per lot) Bonus: 1/500 sf (12 per lot)
<b>HOUSING TYPES</b> Houseplexes Backyard Buildings Rowhouses Courtyard Housing (detached)	Houseplexes Backyard Buildings Rowhouses <b>Courtyard Housing (all)</b>	Houseplexes Backyard Buildings Rowhouses Courtyard Housing (all) <b>Multiplexes</b>

- Supports middle housing, form-based approach, reflects neighborhood patterns, more housing near “complete neighborhoods”, gradual scale changes
- Brings HIT into full consistency with HB 1110 (4 dwellings per lot + 2 affordable, higher density near major transit)



# Tacoma Equity Index Map



The **Equity Index** is a **mapping** tool that shows us where there are areas of higher opportunity and where there are areas of lower opportunity

- Developed in 2018
- Updated every 2 years
- 32 data points
- 5 determinant categories (Accessibility, Livability, Education, Economy, and Environmental Health)

**Used by City Staff and Planning Commission to determine how to distribute density and new zoning framework**

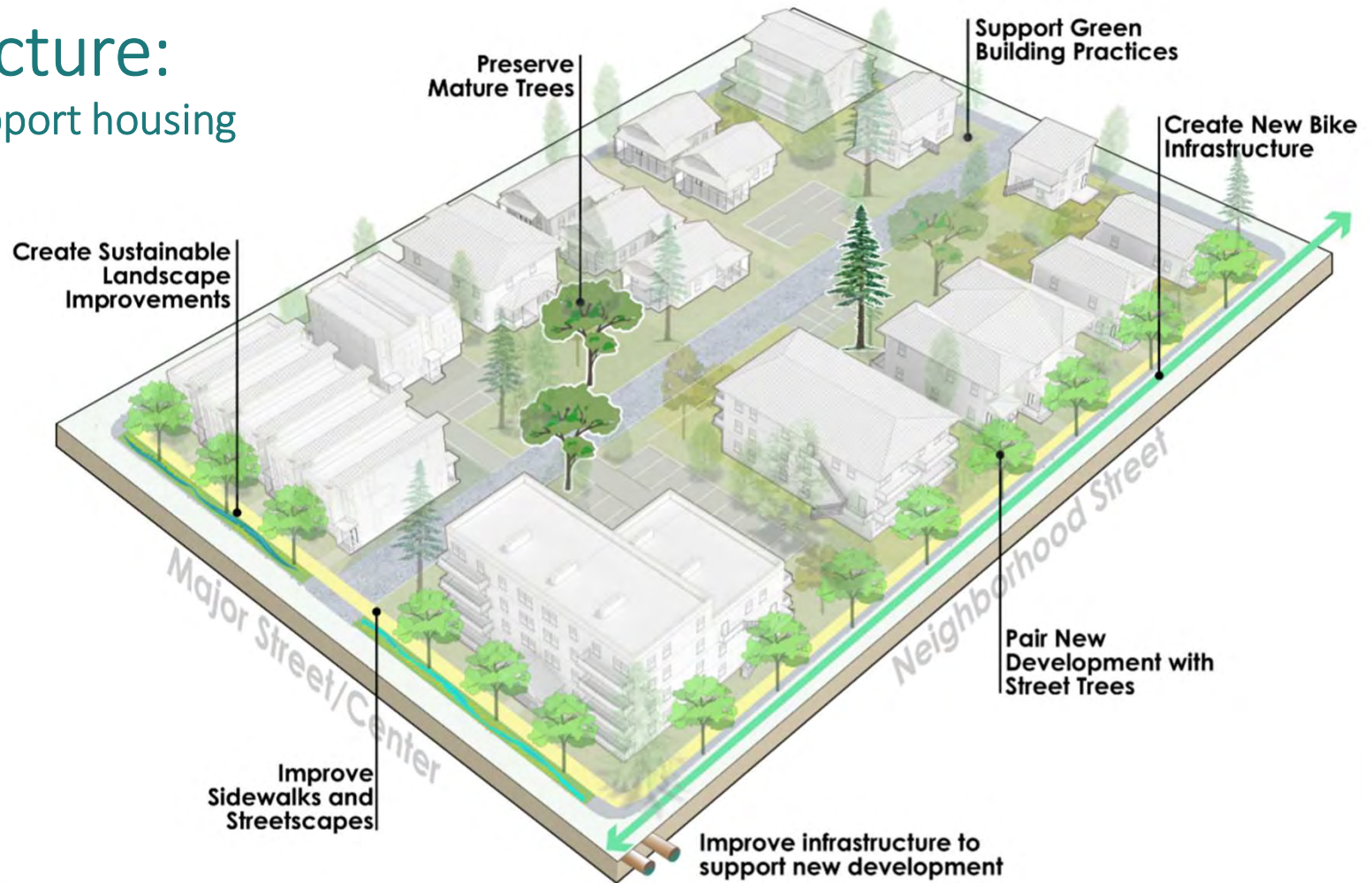
[Home Page - Tacoma Equity Map \(caimaps.info\)](http://caimaps.info)





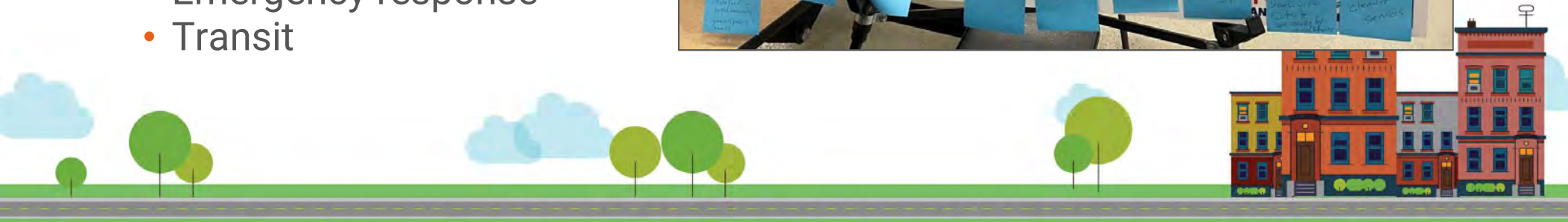
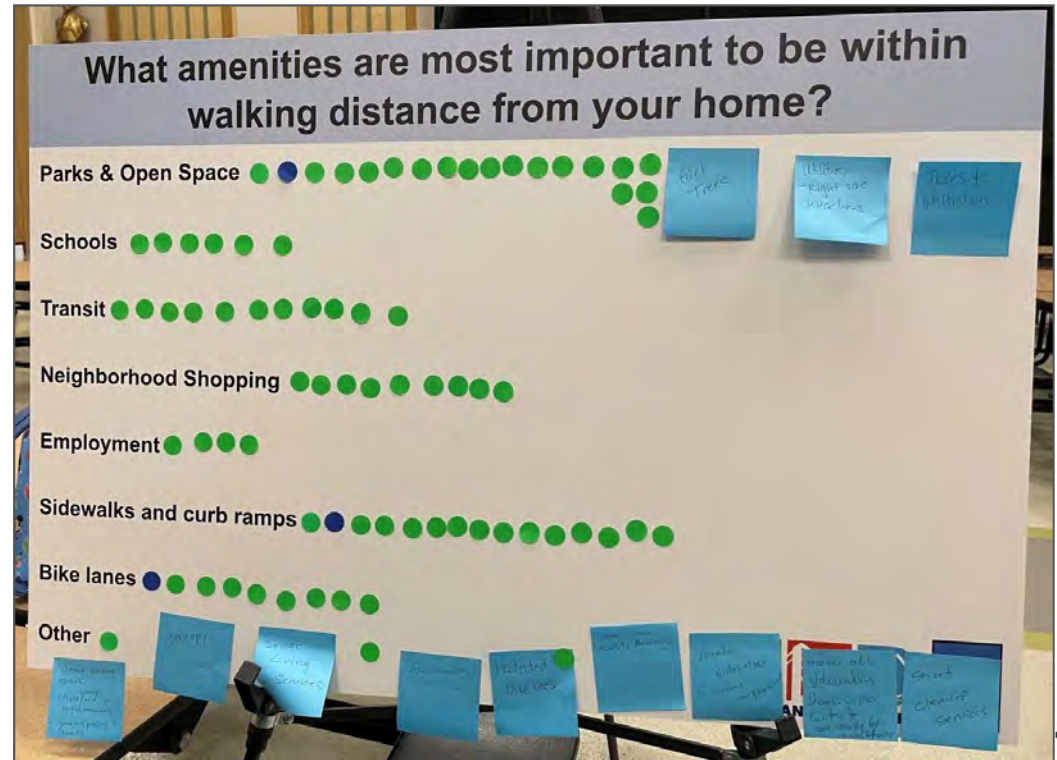
# Neighborhood amenities and infrastructure:

What's needed to support housing growth?



# What we have heard

- **Concerns about upkeep of infrastructure**
  - Sidewalks
  - Streets
  - Sewer
- **Desire for more**
  - Bike lanes
  - Parks
  - Emergency response
  - Transit

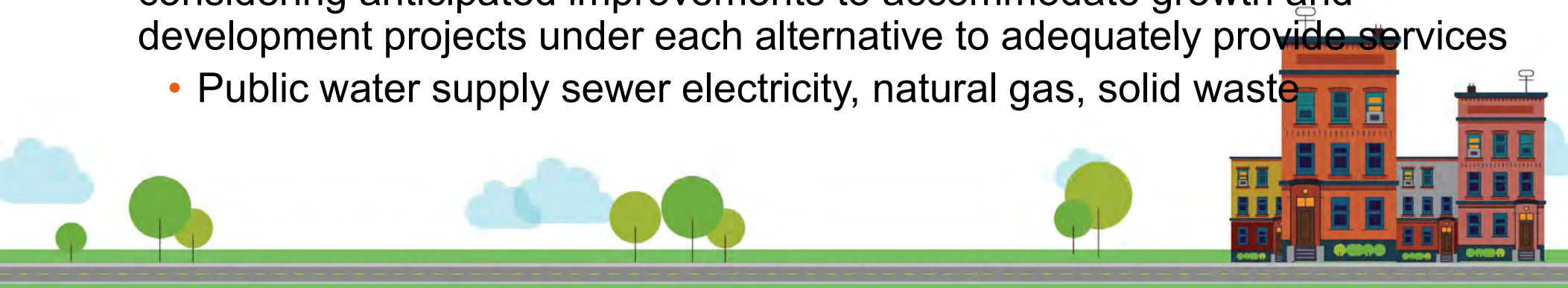




# Infrastructure Planning

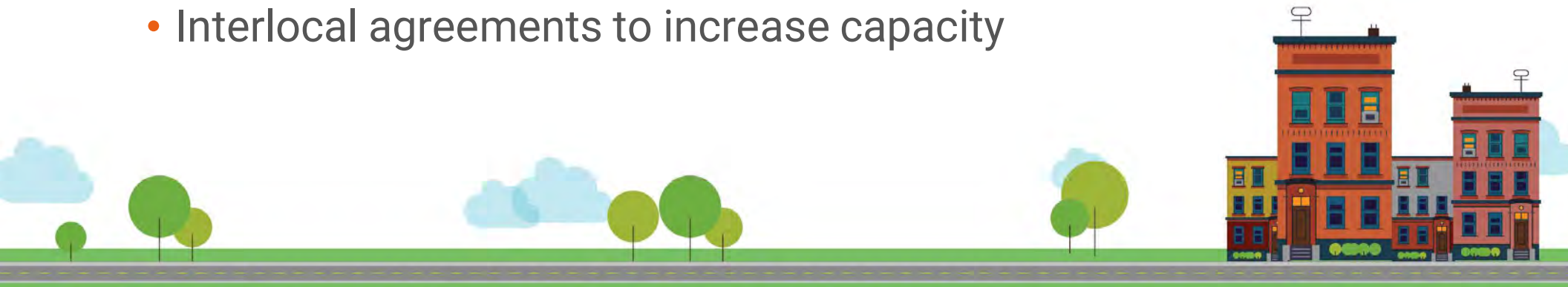
## • Environmental Impact Statement (EIS)

- Evaluate three alternatives based on number of new housing units likely over 30 years
  - No Action Alternative (Baseline Alternative)
  - Lower Zoning Alternative
  - Higher Zoning Alternative
- Evaluation of utilities will include analysis of impacts to utility services, considering anticipated improvements to accommodate growth and development projects under each alternative to adequately provide services
  - Public water supply sewer electricity, natural gas, solid waste



# Outcomes (Ongoing)

- **There will be impacts**
  - Working with internal and external groups to determine what level these will be
- **EIS to consider potential measures to mitigate impacts**
  - Increase funding related to capacity improvements
    - Possible implementation of system development charge
  - Updating policies and design standards
    - Pipe sizing
    - Private or shared facilities
    - Interlocal agreements to increase capacity

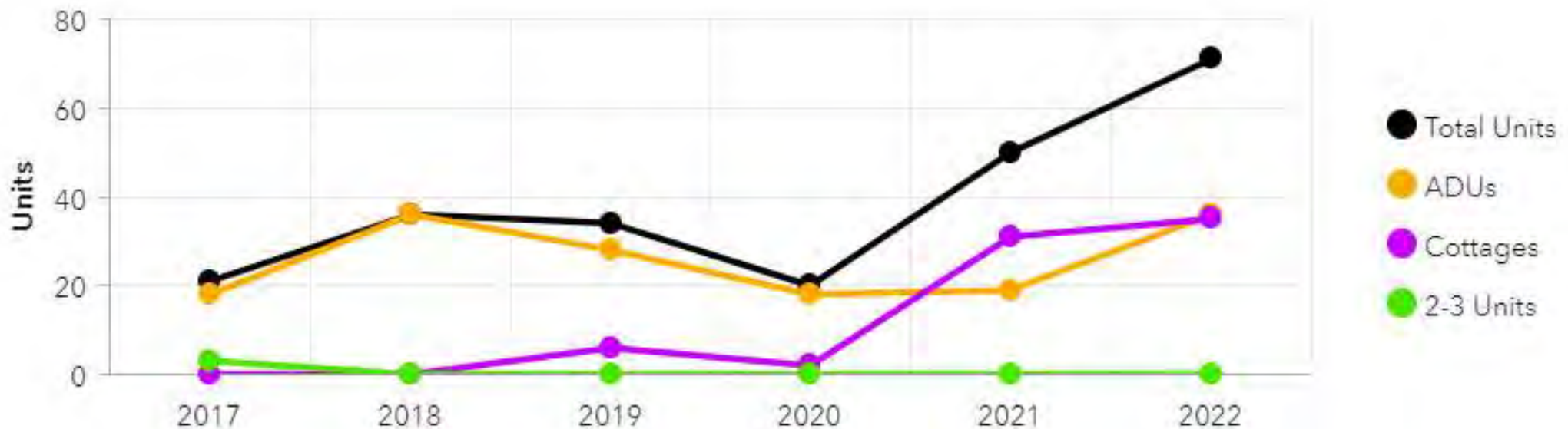




# Middle Housing, Data, and Infrastructure in Kirkland, WA : "Less is More"

Adam Weinstein, Planning and Building Director, City of Kirkland  
October 13, 2023

# Issued Missing Middle Housing Permits (2017-22)







# Kirkland Housing Dashboard



Select a Neighborhood  
All selected by default

## How to use this dashboard

Kirkland Housing Dashboard tracks overall housing supply and need for affordable housing in the City, including the City's progress against the interim affordable housing targets adopted by the City Council in September 2021. For instructions on how to use this dashboard, please click the button below:

[Click Here](#)

Existing Total Housing Units (2022)

**41,945**

Housing Permits Finaled (4/1/2021-4/2/2022)

**477** Units



New Housing Slider By Year

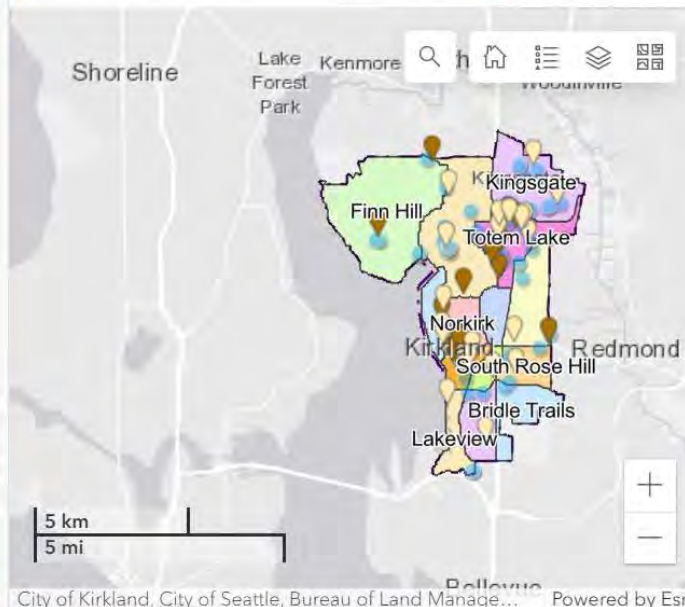
2017 - 2023

Data Sources: Kirkland Planning and Building; Kirkland GIS; Regional Coalition for Housing (ARCH); Washington State Office of Financial Management (OFM); King County Assessor's Office; US Census; American Community Survey 2017; and ESRI Community Analyst

[Send Feedback](#)

## Housing Supply and Major Housing Development Projects By Neighborhood

Housing Permits Issued Housing Permits In Review Existing Affordable Housing



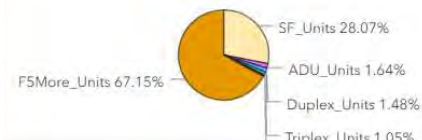
City of Kirkland, City of Seattle, Bureau of Land Management... Powered by Esri

Map

Demographics

Affordability Snapshots

## Total New Housing Permits Issued



Single Family

**21.2k**

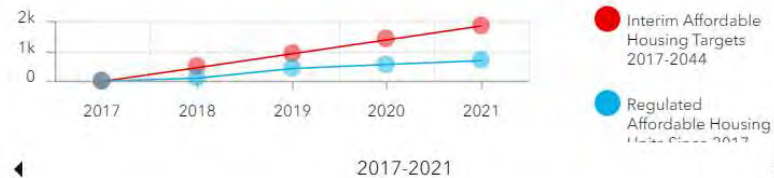
Housing Units

Multi-Family

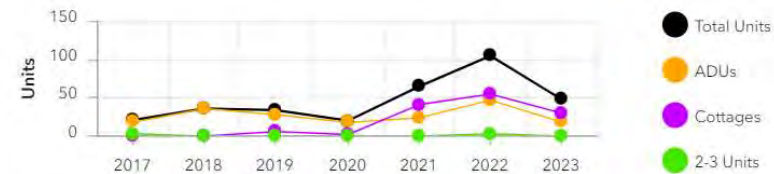
**20.4k**

Housing Units

## Interim Affordable Housing Targets (2017-2021)



## New Missing Middle Housing Permits Issued Since 2017

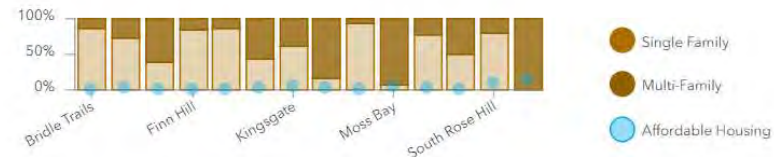


Missing Middle Permits Issued

Table View

Cumulative View

## Existing Housing Supply (%) by Neighborhoods



Housing (%)

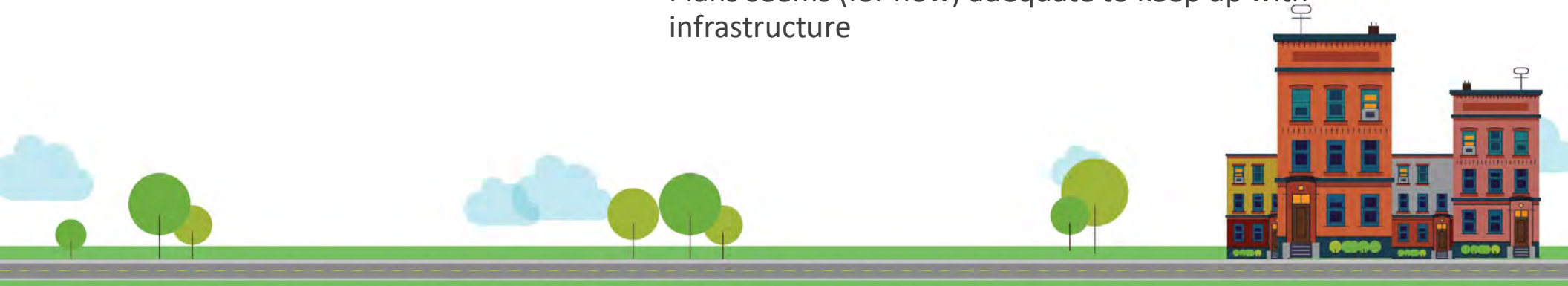
Housing Trends

Total Housing Units  
**41.6k**

Affordable Housing Units  
**1.4k**



- FAR-based, size-limited middle housing reduces infrastructure impacts
- Dispersed nature of middle housing reduces infrastructure impacts
- Since adoption of new middle housing regulations in March 2020, existing infrastructure has always found to have been sufficient for middle housing projects
- When project includes 20+ units, we use SEPA review to take a closer look at infrastructure
- Regular updates to Sewer and Water Comprehensive Plans seems (for now) adequate to keep up with infrastructure



# Thank you!

## Planning for Housing

The Planning for Housing page contains information on grants, guidance, and links to



### Growth Management Housing Links

- Updating GMA Housing Elements (HB 1220) – projected housing needs and racially disparate impacts
- Multi-Family Housing Property Tax Exemption program
- Housing EZView website
- Middle Housing
- Accessory Dwelling Unit (ADU) guidance update EZView website
- 2019 through 2022 Housing Laws for Planners (PDF)



Washington State  
Department of  
**Commerce**

[www.commerce.wa.gov](http://www.commerce.wa.gov)



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360.259.5216

[www.commerce.wa.gov/planning-for-housing](http://www.commerce.wa.gov/planning-for-housing)

## HB 1110 – Section 7

**(1) Any city choosing the 75% alternative where areas lack water / sewer /stormwater may ask for an extension** if request

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- Includes one or more improvements in the CFP
- Identifies the special district to provide capacity (Special provision for lack of water)

**Extension remains until** needed facility provided OR

- Next periodic update or implementation report, but may ask for more time if provides a list of needed facilities to provide to the legislature if not reasonably able to address.

**A city granted time extension, must allow development if developer provides infrastructure**

**A city not granted a timeline under section 7 does not have to update the Capital Facilities Element until the next periodic update. (10 years later) (Section 3 (12))**