

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1401 HB	<b>Title:</b> Housing permit process
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## Estimated Cash Receipts

NONE

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

## Estimated Capital Budget Breakout

**Prepared by:** Gwen Stamey, OFM

**Phone:**  
(360) 790-1166

**Date Published:**  
Final

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1401 HB	<b>Title:</b> Housing permit process	<b>Agency:</b> 103-Department of Commerce
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Serena Dolly	Phone: 360-786-7150	Date: 01/27/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/03/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/03/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/03/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Section 1 adds a new section to RCW 36.70A requiring that cities and counties which adopt an optional expedited permitting process to count the number of housing units built pursuant to the process and report the amount to the Department of Commerce (department) by March 30th of the following year. The reported information is to include all housing units completed for occupancy from January 1 to December 31. The department must post a report on its website, by June 30 following the reported data, detailing the total number of housing units reported by the cities and counties. The website must be updated at least annually with the most recent information.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

The number of local jurisdictions that would participate in the expedited permit process created under Section 1 is indeterminate, however based on similar programs that require local government reporting and compiling of data and information, and for purposes of this fiscal note, the department will estimate 53 jurisdictions reporting in years 1 and 2 and an increase to 190 jurisdictions reporting in year 3 and beyond. The department assumes that the first biennium will include fixed startup costs from a professional services contract independent of the marginal cost per jurisdiction.

Section 1:

For illustrative purposes the department assumes the following:

0.5 FTE Commerce Specialist 3 (1,044 hours) in FY24-FY29, to provide program development and operations, manage and compile the submitted permit reporting information and update the website annually.

Salary and Benefits:

FY24: \$55,528

FY25-FY29: \$57,423 each fiscal year

Professional Service Contracts:

\$10,000 in FY24 and FY25, 50 hours in each fiscal year with a billable rate of \$200 per hour, to develop and maintain the online report publication tool.

FY24-FY25: \$10,000 each fiscal year

Goods and Services:

FY24: \$8,585

FY25-FY29: \$8,588 each fiscal year

Inter-agency Reimbursements:

FY24: \$18,269

FY25-FY29: \$18,892 each fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Intra-agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs:

FY24: \$92,382

FY25: \$94,903

FY26-FY29: \$84,903 each fiscal year

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

#### III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

#### III. D - Expenditures By Program (optional)

NONE

### Part IV: Capital Budget Impact

#### IV. A - Capital Budget Expenditures

NONE

#### IV. B - Expenditures by Object Or Purpose

NONE

#### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

### Part V: New Rule Making Required

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1401 HB	<b>Title:</b> Housing permit process	<b>Agency:</b> 468-Environmental and Land Use Hearings Office
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Serena Dolly	Phone: 360-786-7150	Date: 01/27/2023
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 01/31/2023
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 01/31/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/31/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

This bill authorizes cities and counties to adopt development regulations that create a simple, low cost, expedited permit process for development of single-family, duplex, triplex, or accessory dwelling housing units with less than 1,801 square feet per unit for property situated within cities or urban growth areas in locations designated for residential housing.

This bill is unlikely to generate petitions to the Growth Management Hearings Board (GMHB) as an expedited process for permitting does not change the requirements of the Growth Management Act (GMA) or issues related to State Environmental Policy Act (SEPA) compliance.

ELUHO assumes that any petitions resulting from this bill can be absorbed by the GMHB.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

None

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

None

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

None

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*



# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

**Bill Number:** 1401 HB

**Title:** Housing permit process

## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

Cities: Jurisdictions who conduct planning activities under the growth management act (GMA).

Counties: Same as above.

Special Districts:

Specific jurisdictions only:

Variance occurs due to:

## Part II: Estimates

No fiscal impacts.

Expenditures represent one-time costs: Ordinance adoption and development regulation costs.

Legislation provides local option: Local governments are given an option to create an expedited permit process for affordable housing development.

Key variables cannot be estimated with certainty at this time: Costs per jurisdiction for ordinance adoption and the timeline for implementation; the number of jurisdictions that will take the local option.

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

## Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 02/01/2023
Leg. Committee Contact: Serena Dolly	Phone: 360-786-7150	Date: 01/27/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/01/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/01/2023

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

*Description of the bill with an emphasis on how it impacts local government.*

This bill adds a new section to chapter 36.70A RCW to provide an option for cities and counties to create an expedited housing permit process for affordable housing units under the growth management act (GMA).

Sec. 1 adds a new section to chapter 36.70A RCW to give cities and counties the option to adopt local ordinances and development regulations that create a simple, low cost, expedited permit process for the development of affordable housing units. Cities and counties that create this permitting process must report the number of housing units built during a calendar year to the department of commerce by March 30th of the following year. The department will post a cumulative report on its website by June 30th.

This legislation would take effect 90 days after adjournment of the session in which the bill is passed.

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

This legislation provides a local option for cities and counties to adopt an expedited permit process for housing of a certain size. For cities and counties that take the local option, there would be costs associated with incorporating these development regulations into local code.

The Local Government Fiscal Program Unit Cost Model estimates that the cost the typical cost per jurisdiction to adopt an ordinance with a hearing of the same complexity from \$2,958 for a simple ordinance to \$9,492 for a complex ordinance. These estimates include costs for draft ordinances, an advisory commission meeting and recommendation, finalized ordinance, publication of ordinance, and general public information. Assuming these ordinances are complex, with a hearing of the same complexity the following ordinance adoption costs can be estimated: \$2,958 per city or county that chooses to adopt the categorical exemption in this act by reference. Starting costs of at least \$9,492 for each city and county that adopts the categorical exemption in a more substantive manner.

Jurisdictions that choose this local option would need to create an expedited permit structure for these housing types, conduct analysis of the number of residential zones that would be affected, and potentially reconfigure zoning maps and documents, conduct a planning commission meeting, public hearing, and local legislative action. If the jurisdiction allowed this development in residential zones where it wasn't available before, there would be higher costs to also amend prior zoning codes, which adds to the complexity.

The number of local governments that will choose to make these changes, and the scope of those changes, is not known. As a result, the expenditure impacts of this legislation are indeterminate.

### **C. SUMMARY OF REVENUE IMPACTS**

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

This legislation is not anticipated to impact local government revenue.

#### **SOURCES**

Association of Washington Cities

Local Government Fiscal Note Program, Unit Cost Model (2023)

Local Government Fiscal Note Program, FN HB 1167 (2023)