HOUSE BILL 1337

State of Washington 68th Legislature 2023 Regular Session

By Representatives Gregerson and Barkis

AN ACT Relating to expanding housing options by easing barriers to the construction and use of accessory dwelling units; amending RCW 36.70A.696, 43.21C.495, and 36.70A.280; adding new sections to chapter 36.70A RCW; creating a new section; and repealing RCW 5.63.210, 35A.63.230, 36.70A.400, 36.70.677, and 43.63A.215.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 <u>NEW SECTION.</u> Sec. 1. (1) The legislature makes the following 8 findings:

9 (a) Washington state is experiencing a housing affordability 10 crisis. Many communities across the state are in need of more housing 11 for renters across the income spectrum.

12 (b) Many cities dedicate the majority of residentially zoned land 13 to single detached houses that are increasingly financially out of 14 reach for many households. Due to their smaller size, accessory 15 dwelling units can provide a more affordable housing option in those 16 single-family zones.

(c) Localities can start to correct for historic economic and racial exclusion in single-family zones by opening up these neighborhoods to more diverse housing types, including accessory dwelling units, that provide lower cost homes. Increasing housing options in expensive, high-opportunity neighborhoods will give more

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families access to schools, parks, and other public amenities
 otherwise accessible to only the wealthy.

3 (d) Accessory dwelling units are frequently rented below market4 rate, providing additional affordable housing options for renters.

(e) Accessory dwelling units can also help to provide housing for 5 6 very low-income households. More than 10 percent of accessory 7 dwelling units in some areas are occupied by tenants who pay no rent at all; among these tenants are grandparents, adult children, family 8 members with disabilities, friends going through life transitions, 9 and community members in need. Accessory dwelling units meet the 10 11 needs of these people who might otherwise require subsidized housing 12 space and resources.

(f) Accessory dwelling units can meet the needs of Washington's growing senior population, making it possible for this population to age in their communities by offering senior-friendly housing, which prioritizes physical accessibility, in walkable communities near amenities essential to successful aging in place, including transit and grocery stores, without requiring costly renovations of existing housing stock.

20 (g) Homeowners who add an accessory dwelling unit may benefit 21 from added income and an increased sense of security.

(h) Accessory dwelling units provide environmental benefits. On
average they are more energy efficient than single detached houses,
and they incentivize adaptive reuse of existing homes and materials.

(i) Siting accessory dwelling units near transit hubs, employment
 centers, and public amenities can help to reduce greenhouse gas
 emissions by increasing walkability, shortening household commutes,
 and curtailing sprawl.

(2) The legislature intends to promote and encourage the creation
 of accessory dwelling units as a means to address the need for
 additional affordable housing options.

32 Sec. 2. RCW 36.70A.696 and 2021 c 306 s 2 are each amended to 33 read as follows:

The definitions in this section apply throughout RCW 36.70A.697 ((and)), 36.70A.698, and sections 3 and 4 of this act unless the context clearly requires otherwise.

37 (1) "Accessory dwelling unit" means a dwelling unit located on 38 the same lot as a single-family housing unit, duplex, triplex, 39 townhome, or other housing unit.

1 (2) "Attached accessory dwelling unit" means an accessory 2 dwelling unit located within or attached to a single-family housing 3 unit, duplex, triplex, townhome, or other housing unit.

4 (3) "City" means any city, code city, and town located in a 5 county planning under RCW 36.70A.040.

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(4) "County" means any county planning under RCW 36.70A.040.

7 (5) "Detached accessory dwelling unit" means an accessory 8 dwelling unit that consists partly or entirely of a building that is 9 separate and detached from a single-family housing unit, duplex, 10 triplex, townhome, or other housing unit and is on the same property.

(6) "Dwelling unit" means a residential living unit that provides complete independent living facilities for one or more persons and that includes permanent provisions for living, sleeping, eating, cooking, and sanitation.

15 (7) <u>"Gross floor area" means the interior habitable area of a</u> 16 <u>dwelling unit including basements and attics but not including a</u> 17 <u>garage or accessory structure.</u>

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(8) "Major transit stop" means:

(a) A stop on a high capacity transportation system funded or
 expanded under the provisions of chapter 81.104 RCW;

21 (b) Commuter rail stops;

22 (c) Stops on rail or fixed guideway systems, including 23 transitways;

(d) Stops on bus rapid transit routes or routes that run on highoccupancy vehicle lanes; or

(e) Stops for a bus or other transit mode providing actual fixed
 route service at intervals of at least fifteen minutes for at least
 five hours during the peak hours of operation on weekdays.

29 (((8))) <u>(9)</u> "Owner" means any person who has at least 50 percent 30 ownership in a property on which an accessory dwelling unit is 31 located.

32 (((9))) <u>(10) "Principal unit" means the single-family housing</u> 33 <u>unit, duplex, triplex, townhome, or other housing unit located on the</u> 34 <u>same lot as an accessory dwelling unit.</u>

35 <u>(11)</u> "Short-term rental" means a lodging use, that is not a hotel 36 or motel or bed and breakfast, in which a dwelling unit, or portion 37 thereof, is offered or provided to a guest by a short-term rental 38 operator for a fee for fewer than 30 consecutive nights. <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 36.70A
 RCW to read as follows:

3 (1)(a) Cities and counties planning under this chapter must adopt 4 or amend by ordinance, and incorporate into their development 5 regulations, zoning regulations, and other official controls the 6 requirements of this section and of section 4 of this act by July 1, 7 2024.

8 (b) Beginning July 1, 2024, the requirements of this section and 9 of section 4 of this act apply and take effect in any city or county 10 that has not adopted or amended ordinances, regulations, or other 11 official controls as required under this section and supersede, 12 preempt, and invalidate any conflicting local development 13 regulations.

14 (2) Ordinances, development regulations, and other official 15 controls adopted or amended pursuant to this section and section 4 of 16 this act need only apply in the portions of towns, cities, and 17 counties that are within urban growth areas designated under this 18 chapter.

(3) Attached or detached accessory dwelling units may not be considered as contributing to the overall underlying density within the urban growth area boundary of a county for purposes of compliance with this chapter.

(4) Any action taken by a city or county to comply with the requirements of this section or section 4 of this act is not subject to legal challenge under this chapter or chapter 43.21C RCW.

(5) Nothing in this section or section 4 of this act requires or authorizes a city or county to authorize the construction of an accessory dwelling unit in a location 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.

32 (6) Nothing in this section or in section 4 of this act prohibits 33 a city or county from:

34 (a) Restricting the use of accessory dwelling units for short-35 term rentals;

36 (b) Applying public health, safety, building code, and 37 environmental permitting requirements to an accessory dwelling unit 38 that would be applicable to the principal unit, including regulations 39 to protect ground and surface waters from on-site wastewater; 1 (c) Applying generally applicable development regulations to the 2 construction of an accessory unit, except when the application of 3 such regulations would be contrary to this section or to section 4 of 4 this act;

5 (d) Prohibiting the construction of accessory dwelling units on 6 lots that are not connected to or served by public sewers; or

7 (e) Prohibiting or restricting the construction of accessory 8 dwelling units in residential zones with a density of one dwelling 9 unit per acre or less that are within areas designated as wetlands, 10 fish and wildlife habitats, flood plains, or geologically hazardous 11 areas.

12 <u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 36.70A 13 RCW to read as follows:

(1) In addition to ordinances, development regulations, and other official controls adopted or amended to comply with section 3 of this act and subsection (2) of this section, a city or county must comply with a minimum of three of the following policies:

(a) The city or county may not establish a requirement for theprovision of off-street parking for accessory dwelling units;

20 (b) The city or county may not assess impact fees on the 21 construction of accessory dwelling units that are greater than 50 22 percent of the impact fees that would be imposed on the principal 23 unit;

(c) The city or county may not require the owner of a lot on which there is an accessory dwelling unit to reside in or occupy the accessory dwelling unit or another housing unit on the same lot; and

(d) The city or county must allow at least two accessory dwelling units on all lots that are located in all zoning districts that allow for single-family homes in the following configurations:

30 (i) One attached accessory dwelling unit and one detached 31 accessory dwelling unit;

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(ii) Two attached accessory dwelling units; or

33 (iii) Two detached accessory dwelling units, which may be 34 comprised of either one or two detached structures.

35 (2) Through ordinances, development regulations, and other 36 official controls adopted or amended to comply with section 3 of this 37 act and subsection (1) of this section, a city or county must also 38 comply with all of the following policies:

(a) The city or county must permit accessory dwelling units in
 structures detached from the principal unit;

3 (b) The city or county must allow an accessory dwelling unit on 4 any lot that meets the minimum lot size required for the principal 5 unit;

6 (c) The city or county may not establish a maximum gross floor 7 area requirement for accessory dwelling units that is less than 1,000 8 square feet;

9 (d) The city or county may not establish roof height limits on an 10 accessory dwelling unit of less than 24 feet, unless the height 11 limitation that applies to the principal unit is less than 24 feet, 12 in which case a city or county may not impose roof height limitation 13 on accessory dwelling units that is less than the height limitation 14 that applies to the principal unit;

(e) A city or county may not impose setback requirements, yard coverage limits, tree retention mandates, restrictions on entry door locations, aesthetic requirements, or requirements for design review for accessory dwelling units that are more restrictive than those for principal units;

(f) A city or county must allow detached accessory dwelling units to be sited at a lot line if the lot line abuts a public alley, unless the city or county routinely plows snow on the public alley;

(g) A city or county must allow accessory dwelling units to be converted from existing structures, including but not limited to detached garages, even if they violate current code requirements for setbacks or lot coverage;

(h) A city or county may not prohibit the sale or other conveyance of a condominium unit independently of a principal unit solely on the grounds that the condominium unit was originally built as an accessory dwelling unit; and

31 (i) A city or county may not require public street improvements32 as a condition of permitting accessory dwelling units.

33 <u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 36.70A 34 RCW to read as follows:

(1) No restrictive covenant or deed restriction created after the effective date of this section and applicable to a property located within an urban growth area may impose any restriction or prohibition on the construction, development, or use on a lot of an accessory dwelling unit that the city or county in which the urban growth area

1 is located would be prohibited from imposing under section 4 of this 2 act.

3 (2) For the purposes of this section, "urban growth area" has the 4 same meaning as in RCW 36.70A.030.

5 (3) A city or county issuing a permit for the construction of an 6 accessory dwelling unit may not be held civilly liable on the basis 7 that the construction of the accessory dwelling unit would violate a 8 restrictive covenant or deed restriction that was created after the 9 effective date of this section and that is contrary to subsection (1) 10 of this section.

11 Sec. 6. RCW 43.21C.495 and 2022 c 246 s 3 are each amended to 12 read as follows:

13 (1)Adoption of ordinances, development regulations and amendments to such regulations, and other nonproject actions taken by 14 15 a city to implement: The actions specified in section 2, chapter 246, 16 Laws of 2022 unless the adoption of such ordinances, development regulations and amendments to such regulations, or other nonproject 17 18 actions has a probable significant adverse impact on fish habitat; and the increased residential building capacity actions identified in 19 20 RCW 36.70A.600(1), with the exception of the action specified in RCW 21 36.70A.600(1)(f), are not subject to administrative or judicial 22 appeals under this chapter.

23 (2) Adoption of ordinances, development regulations and 24 amendments to such regulations, and other nonproject actions taken by 25 a city or county consistent with the requirements of sections 3 and 4 26 of this act are not subject to administrative or judicial appeals 27 under this chapter.

28 Sec. 7. RCW 36.70A.280 and 2011 c 360 s 17 are each amended to 29 read as follows:

30 (1) The growth management hearings board shall hear and determine 31 only those petitions alleging either:

(a) That, except as provided otherwise by this subsection, a state agency, county, or city planning under this chapter is not in compliance with the requirements of this chapter, chapter 90.58 RCW as it relates to the adoption of shoreline master programs or amendments thereto, or chapter 43.21C RCW as it relates to plans, development regulations, or amendments, adopted under RCW 36.70A.040 or chapter 90.58 RCW. Nothing in this subsection authorizes the board

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1 to hear petitions alleging noncompliance ((with RCW 36.70A.5801))
2 based on a city or county's actions taken to implement the
3 requirements of sections 3 and 4 of this act;

4 (b) That the ((twenty-)) <u>20-year</u> growth management planning
5 population projections adopted by the office of financial management
6 pursuant to RCW 43.62.035 should be adjusted;

7 (c) That the approval of a work plan adopted under RCW
8 36.70A.735(1)(a) is not in compliance with the requirements of the
9 program established under RCW 36.70A.710;

10 (d) That regulations adopted under RCW 36.70A.735(1)(b) are not 11 regionally applicable and cannot be adopted, wholly or partially, by 12 another jurisdiction; or

13 (e) That a department certification under RCW 36.70A.735(1)(c) is 14 erroneous.

15 (2) A petition may be filed only by: (a) The state, or a county 16 or city that plans under this chapter; (b) a person who has 17 participated orally or in writing before the county or city regarding 18 the matter on which a review is being requested; (c) a person who is 19 certified by the governor within ((sixty)) <u>60</u> days of filing the 20 request with the board; or (d) a person qualified pursuant to RCW 21 34.05.530.

(3) For purposes of this section "person" means any individual,
 partnership, corporation, association, state agency, governmental
 subdivision or unit thereof, or public or private organization or
 entity of any character.

(4) To establish participation standing under subsection (2)(b) of this section, a person must show that his or her participation before the county or city was reasonably related to the person's issue as presented to the board.

30 (5) When considering a possible adjustment to a growth management 31 planning population projection prepared by the office of financial 32 management, the board shall consider the implications of any such 33 adjustment to the population forecast for the entire state.

The rationale for any adjustment that is adopted by the board must be documented and filed with the office of financial management within ten working days after adoption.

If adjusted by the board, a county growth management planning population projection shall only be used for the planning purposes set forth in this chapter and shall be known as the "board adjusted population projection." None of these changes shall affect the

official state and county population forecasts prepared by the office of financial management, which shall continue to be used for state budget and planning purposes.

4 <u>NEW SECTION.</u> Sec. 8. The following acts or parts of acts are 5 each repealed:

6 (1) RCW 35.63.210 (Accessory apartments) and 1993 c 478 s 8;

7 (2) RCW 35A.63.230 (Accessory apartments) and 1993 c 478 s 9;

8 (3) RCW 36.70A.400 (Accessory apartments) and 1993 c 478 s 11;

9 (4) RCW 36.70.677 (Accessory apartments) and 1993 c 478 s 10; and

10 (5) RCW 43.63A.215 (Accessory apartments—Development and 11 placement—Local governments) and 1993 c 478 s 7.

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