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STAFF REPORT 2019 LEGISLATIVE SESSION HOUSING BILLS

To: Bryan Beel, Chair
Planning Commission

From: Sarah Fox, Senior Planner

Report Date July 9, 2019

(Note: Staff presented to City Council on this topic at workshops on February 19th, June 3rd, and July 1, 2019. Materials and video recordings of the meetings are available online on the city's website.)

- Attachments:
1. Grant Opportunity Overview from Dept. of Commerce
 2. House Bill 1923
 3. House Bill 1923 Report
 4. House Bill 1377-S
 5. House Bill 1377-S Report
 6. Church Owned Properties in Camas – map
 7. Senate Bill 5383

Summary

This report will focus on the new laws adopted during the 2019 legislative session that focused on housing and will include a list of the changes to Camas Municipal Code ("CMC") that will be necessary to be consistent with the new laws.

The legislature also passed a bill to encourage cities to adopt measures that will increase residential capacity (E2SHB 1923). The bill includes a few mandatory items, but it also offers grant assistance to cities who undertake an effort to adopt two of twelve discretionary actions. Attachment (#1), "[Grant Opportunity Overview from Dept. of Commerce](#)" provides details on each of the twelve actions. This report will discuss the items most applicable to our city and direction that was provided to staff from Council on July 1, 2019.

Mandatory Changes

The following items are organized by bill number. Staff comments include a brief recommendation for actions to amend Camas Municipal Code ("CMC") to be consistent with the changes to state law. These suggested changes will be brought before the Planning Commission for a public hearing at the September regular meeting.

House Bill	Description	Comments																				
SHB 1377	<p>Cities must provide a bonus density for affordable housing on property owned or controlled by a religious organization</p>	<p>Bill requires that cities create a policy that is consistent with this law upon request from a religious organization.</p> <p>A map of all the properties in Camas that are owned by religious organizations is provided at Attachment 7. The staff presentation further identified those that are located within residential zones (Attachment 2). No applications for developments on those properties have been submitted to date.</p> <p>A request from a religious entity under this law would be considered to be a "Type IV" application. Type IV decisions are legislative actions which involve the adoption or amendment of the city's land use regulations, comprehensive plan, map inventories, and other policy documents that affect the entire city. These applications involve the greatest amount of discretion and evaluation of subjective approval criteria.</p> <p>Recommendation: Adopt a regulation consistent with other density bonus provisions in our development code at CMC Chapter 18.09 Density and Dimensions.</p>																				
E2SHB 1923	<p>Cities must adopt a new definition for "permanent supportive housing".</p> <p>New definition: "Subsidized, leased housing with no limit on length of stay, paired with on-site or off-site voluntary services designed to support a person living with a disability to be a successful tenant in a housing arrangement, improve the resident's health status, and connect residents of the housing with community-based health care, treatment, and employment services."</p>	<p>Current Use Authorization for "<u>Assisted Living</u>" at CMC§18.07.030 and 18.07.040</p> <table border="1" data-bbox="669 884 1528 1020"> <thead> <tr> <th>Zones:</th> <th>R</th> <th>MF</th> <th>NC</th> <th>DC</th> <th>CC</th> <th>RC</th> <th>MX</th> <th>BP</th> <th>LI/BP LI HI</th> </tr> </thead> <tbody> <tr> <td>Authorization:</td> <td>C</td> <td>P</td> <td>C</td> <td>P</td> <td>P</td> <td>X/P¹⁰</td> <td>P</td> <td>X</td> <td>X</td> </tr> </tbody> </table> <p>Recommendation: (1) Add new definition consistent with state law. (2) Allow "Permanent supportive housing" wherever "Assisted Living" is allowed.</p>	Zones:	R	MF	NC	DC	CC	RC	MX	BP	LI/BP LI HI	Authorization:	C	P	C	P	P	X/P ¹⁰	P	X	X
Zones:	R	MF	NC	DC	CC	RC	MX	BP	LI/BP LI HI													
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E2SHB 1923	<p>Cities must be consistent with the new definition of "affordable housing" that includes a definition for rental housing and owner-occupied housing.</p> <p>Affordable <u>rental housing</u> must be defined as 60% of the median household income (MHI) and <u>owner-occupied housing</u> be defined as 80% of the MHI.</p>	<p><u>CMC Chapter 3.86 Multifamily Tax Exemption</u> includes the following definition, "<i>Affordable housing means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households</i>".</p> <p>Recommendation: Amend definition at CMC Chapter 3.86 consistent with state law.</p>																				

House Bill	Description	Comments
E2SHB 1923	Requires cities to set maximum residential parking ratios for low income, senior, and affordable housing units located near "high quality transit service".	This item is mandatory, however, "high quality transit service" includes in its definition a frequency of service of four times per hour for at least 12 hours a day. At this time, C-Tran serves our city twice per hour. This item is not applicable to Camas <u>at this time</u> and no action would be required.
ESSB 5383	Cities must include a new definitions: "tiny house"; "tiny house with wheels"; and "tiny house communities", and not prohibit them. New definition (in part), "Means a dwelling to be used as permanent housing with permanent provisions for living, sleeping, eating, cooking, and sanitation built in accordance with state building code.	A city or town may not prevent entry or require removal of a recreation vehicle or a tiny house with wheels used as a primary residence in a manufactured/mobile home community , except for regulations related to fire, safety, or other regulations related to recreation vehicles. Current code at CMC§18.29.070(E): <i>"Trailers and Recreational Vehicles. No travel trailer or recreational vehicle shall be utilized, except as temporary living quarters, and accessory to an existing manufactured home, which use shall not exceed a maximum of ten days per year."</i> Recommendation: (1) Add new definitions for "tiny house", and (2) Repeal subsection "E" at CMC§18.29.070 to be consistent with state law.

Grant Opportunity

The Department of Commerce provided an overview and guidance on the grant opportunity that will be made available with the adoption of House Bill 1923 (Refer to Attachment 1, E2SHB 1923). At the writing of this report, the grant application has not been released.

The following discussion will provide a brief description of those items that could be considered to be minor changes to our current code during a periodic update, or through a limited effort to increase residential density and diversity ("**Limited**"). All of the applicable actions could also be considered during the development of a Housing Action Plan ("**HAP**"), if the city chooses to pursue that option. Staff provides a recommendation for each item to be considered through a "Limited" or "HAP" project--either could be eligible for grant funding.

The goal of a Housing Action Plan (HAP) is to "encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family market." This plan would include extensive research into the nature of the housing currently available in the city.

RESIDENTIAL BUILDING PERMITS - TRENDS

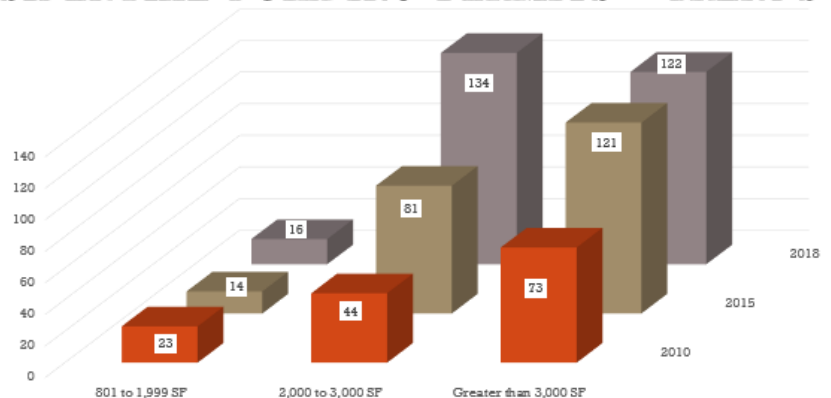


FIGURE 1 - WORKSHOP PRESENTATION, FEBRUARY 2019

Staff provided initial information on the need for diversified and affordable housing at the February 19th workshop before Council. The initial information provided at the workshop was gathered from census data, city employee data, and building permits issued over the past nine years. In brief, staff found that there is a lack of housing diversity shown in the past nine years of new building permits.

Staff reported that the bulk of the building permits over the past nine years was for single family residences and the majority exceeded 3,000 square feet. Last year, the city saw more permits for homes in the 2,000 to 3,000 square foot range.

Twelve (12) Activities Eligible for Funding per E2SHB 1923	Comments
1. Increase residential density near commuter light rail stations to 50 dwelling units per acre...	Not applicable to our city as we do not have a light rail station.
2. Increase residential density along high frequency transit corridors to 25 dwelling units per acre...	Not applicable to our city as we do not have high frequency transit.
3. Authorize at least one duplex, triplex, or courtyard apartment on each parcel in one or more zoning districts that permit single-family residences unless a city documents a specific infrastructure or physical constraint that would make this requirement unfeasible for a particular parcel.	<p>Duplexes are allowed outright (P) in multifamily zones and as a conditional use (CUP) in single family zones.</p> <p>HAP: The city could consider allowing duplexes outright (P) in single family zones.</p>
4. Authorize cluster zoning or lot size averaging in all zoning districts that permit single family residences;	City already allows a type of cluster zoning in all single family zones, called Planned Residential Developments (PRD).
5. Authorize attached accessory dwelling units (ADUs) on all parcels containing single family homes where the lot is at least 3,200 square feet in size, and permit both attached and detached ADUs on all parcels containing single-family homes, provided lots are at least 4,356 square feet in size. Qualifying city ordinances or regulations may not provide for on-site parking requirements, owner occupancy requirements, or square footage limitations below 1,000 square feet for the accessory dwelling unit, and must not prohibit the separate rental or sale of accessory dwelling units and the primary residence. Cities must set applicable impact fees at no more than the projected impact of the accessory dwelling unit...	<p>The city allows only one ADU (interior or exterior) on a property and requires owner occupancy of one of the units.</p> <p>Refer to CMC Chapter 18.27 Accessory Dwelling Units.</p> <p>HAP or Limited: The city could revise the ADU standards, and consider allowing both an interior and exterior ADU on a property and other provisions as described.</p>

<p>6. Adopt a subarea plan pursuant to RCW 43.21C.420.</p> <p>The plan must be for a mixed use urban center or near a major transit stop. The plan must also be accompanied by an environmental impact statement (EIS).</p>	<p>The city will be starting a subarea planning effort for the North Shore this month.</p> <p>This area is not served by major transit and the comprehensive plan did not identify this area as a mixed use urban center.</p>
<p>7. Adopt a planned action pursuant to RCW 43.21C.440(1)(b)(ii). To be eligible for funding, the planned action area should:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Contain mixed use or residential development; and <input type="checkbox"/> Encompasses an area that is within one-half mile of a major transit stop; or will be within one-half mile of a major transit stop no later than five years from the date of the designation of the planned action. 	<p>Not applicable to our city as we do not have a major transit stop as defined by the law.</p>
<p>8. Adopt an infill exemption under RCW 43.21C.229 for residential or mixed-use development.</p>	<p>HAP or Limited: The city could analyze where there are areas of the city that have had adequate environmental review and where there are no anticipated adverse environmental impacts from infill development.</p>
<p>9. Adopt a form-based code in one or more zoning districts that permit residential uses. "Form-based code" means a land development regulation that uses physical form, rather than separation of use, as the organizing principle for the code;</p>	<p>The city regulates land uses and other development standards based on bulk and distances, not form.</p> <p>HAP: The city could develop a form based code for defined areas or zoning districts.</p>
<p>10. Authorize a duplex on each corner lot within all zoning districts that permit single family residences.</p>	<p>Refer to response at #3 (above). Duplexes are allowed outright (P) in multifamily zones and as a conditional use (CUP) in single family zones. Clark County allows duplexes outright (P) on corner lots in single family zones.</p> <p>Limited or HAP: The city could consider allowing duplexes outright (P) on all corner lots in single family zones.</p>
<p>11. Allow for the division or redivision of land into the maximum number of lots through the short subdivision process provided in chapter 58.17 RCW;</p>	<p>No action necessary. The city already allows the maximum number of lots for a short subdivision.</p>
<p>12. Authorize a minimum net density of six dwelling units per acre in all residential zones, where the residential development capacity will increase within the city.</p>	<p>There is a minimum net density of six dwelling units per acre in all multifamily zones, but the city does not require a minimum density in single family zones.</p> <p>HAP: The city could evaluate the effectiveness of this action to increase residential building capacity.</p>

In summary, the grant eligible activities that are relevant to Camas and are recommended by staff to move forward through development of a Housing Action Plan (HAP) or as a limited scope code amendment (Limited) include: Activities 3; 5; 8; 9; 10 or 12. Staff did not prioritize this list.

At the July 1st workshop, Council preferred to defer action on any of the housing activities until other priorities of the city are addressed. They were open to staff bringing back more information when the grant application is released.

Next steps

The recommendations for the changes to Camas Municipal Code to be consistent with new state laws will move forward through the legislative process and procedures consistent with CMC18.55.320.