

Multiple Agency Fiscal Note Summary

Bill Number: 5466 SB	Title: Transit-oriented development
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	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 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	1.8	535,154	535,154	535,154	1.5	440,518	440,518	440,518	1.5	442,918	442,918	442,918
Department of Transportation	8.0	0	0	2,871,000	8.0	0	0	2,332,000	8.0	0	0	2,371,000
Environmental and Land Use Hearings Office	.1	40,848	40,848	40,848	.3	70,342	70,342	70,342	.3	70,342	70,342	70,342
Total \$	9.9	576,002	576,002	3,447,002	9.8	510,860	510,860	2,842,860	9.8	513,260	513,260	2,884,260

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			16,139,625			2,424,800			32,475
Local Gov. Other	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Local Gov. Total			16,139,625			2,424,800			32,475

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
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

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 2/13/2023
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Individual State Agency Fiscal Note

Bill Number: 5466 SB	Title: Transit-oriented development	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.1	1.5	1.8	1.5	1.5
Account					
General Fund-State 001-1	314,895	220,259	535,154	440,518	442,918
Total \$	314,895	220,259	535,154	440,518	442,918

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: Karen Epps	Phone: 360-786-7424	Date: 01/26/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/12/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/12/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/13/2023

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 impacts Department of Commerce (department) by amending Title 36.70A RCW, amending the Planning and Environmental Review Fund (PERF) to add a transit-oriented development implementation grant program. It also requires the department to consult with the Washington Department of Transportation (WSDOT) regarding development of a new planning grant program in WDOT.

Section 3 adds a new section to RCW 47.01 requiring the department to consult with WSDOT for establishment and administration of a competitive grant program to assist in the financing of housing projects within rapid transit corridor.

Section 7 amends RCW 36.70A.500 requiring the department to establish a new competitive grant program, under PERF, to fund local environmental analysis and integration into planning and policy. This section further outlines in detail the administration of the grant related to development of applications, procedures, criteria, selection, and technical assistance.

Section 8 amends RCW 36.70A.620 governing minimum residential parking requirements under the growth management act (GMA), repealing the existing section and replacing it with requirements for local government permitting of parking near transit stations.

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.

Assumptions:

- The appropriation to the planning and environmental review fund (PERF) and amount of grant to be awarded by the department is indeterminate, but for purposes of this fiscal note, the department assumes 80 contracts.
- The department would need to update its guidance and establish administer a new grant program, requiring additional staff workload and administrative support, and update local GMA guidance related to residential parking near transit stations.

Sections 3,7, and 8:

1.0 FTE Commerce Specialist 3 (2,088 hours) FY24-FY29, to establish a new competitive grant program to help cities and counties pay for environmental analysis and integration into planning and policy. Including the related management, procedures, criteria, selection, technical assistance, etc. Assuming somewhere from 20-80 grants depending on process and funding. Additional ongoing technical assistance and consultation with other agencies.

0.5 FTE Management Analyst 4 (1,044 hours) in FY24, to support update and development of the new technical guidance and grant program, consult with other departments, assist in the establishment of new competitive grant program, and provide technical assistance. Duties including development of policies and procedures to implement the criteria and compliance systems and set up system to provide ongoing management.

0.2 FTE Administrative Assistant 3 (418 hours) FY24-FY29, to provide ongoing administrative assistance for the new grant program.

0.1 FTE IT Planning and Policy Manager (ITPP-4) (209 hours) FY24-FY29, to provide ongoing informational service assistance.

Salaries and Benefits:

FY24: \$201,393

FY25-FY29: \$148,303 each fiscal year

Goods and Services:

Attorney General Costs: \$10,500 of AAG time in FY24 for 50 hours at \$210 per hour, to assist with rulemaking and establishment of new competitive grant program and required processes and paperwork, including guidelines, contract boilerplate, etc.

FY24: \$42,244

FY25-FY29: \$23,164 each fiscal year

Equipment:

The department assumes standard workstations in FY24 and replacement tablet in FY28.

FY24: \$5,000

FY28: \$2,400

Intra-agency Reimbursements:

FY24: \$66,258

FY25-FY29: \$48,792 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.

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Total costs:

FY24: \$314,895

FY25-FY27: \$220,259 each fiscal year

FY28: \$222,659

FY29: \$220,259

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	314,895	220,259	535,154	440,518	442,918
Total \$			314,895	220,259	535,154	440,518	442,918

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.1	1.5	1.8	1.5	1.5
A-Salaries and Wages	148,961	109,031	257,992	218,062	218,062
B-Employee Benefits	52,432	39,272	91,704	78,544	78,544
C-Professional Service Contracts					
E-Goods and Other Services	42,244	23,164	65,408	46,328	46,328
G-Travel					
J-Capital Outlays	5,000		5,000		2,400
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	66,258	48,792	115,050	97,584	97,584
9-					
Total \$	314,895	220,259	535,154	440,518	442,918

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Assistant 3	52,616	0.2	0.2	0.2	0.2	0.2
Administrative Services - Indirect	111,168	0.3	0.2	0.3	0.2	0.2
Commerce Specialist 3	82,056	1.0	1.0	1.0	1.0	1.0
IT Policy & Planning - Manager	132,762	0.1	0.1	0.1	0.1	0.1
Management Analyst 4	86,212	0.5		0.3		
Total FTEs		2.1	1.5	1.8	1.5	1.5

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.

Sections 7-8: Rulemaking may be needed to update technical assistance under chapter 365-196 WAC.

Individual State Agency Fiscal Note

Bill Number: 5466 SB	Title: Transit-oriented development	Agency: 405-Department of Transportation
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	8.0	8.0	8.0	8.0	8.0
Account					
NEW-State NEW-1	1,455,000	1,416,000	2,871,000	2,332,000	2,371,000
Total \$	1,455,000	1,416,000	2,871,000	2,332,000	2,371,000

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: Karen Epps	Phone: 360-786-7424	Date: 01/26/2023
Agency Preparation: Cheryl Steben	Phone: 360-705-7919	Date: 01/31/2023
Agency Approval: Brian Lagerberg	Phone: 360-705-7878	Date: 01/31/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 02/01/2023

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.

See attached WSDOT fiscal note.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
NEW-1	NEW	State	1,455,000	1,416,000	2,871,000	2,332,000	2,371,000
Total \$			1,455,000	1,416,000	2,871,000	2,332,000	2,371,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	8.0	8.0	8.0	8.0	8.0
A-Salaries and Wages	841,000	841,000	1,682,000	1,682,000	1,682,000
B-Employee Benefits	297,000	297,000	594,000	594,000	594,000
C-Professional Service Contracts	250,000	250,000	500,000		
E-Goods and Other Services	11,000	11,000	22,000	22,000	22,000
G-Travel	15,000	15,000	30,000	30,000	30,000
J-Capital Outlays	41,000	2,000	43,000	4,000	43,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	1,455,000	1,416,000	2,871,000	2,332,000	2,371,000

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
TRANSPORTATION PLANNING SPECIALIST 3	87,139	2.0	2.0	2.0	2.0	2.0
TRANSPORTATION PLANNING SPECIALIST 4	96,171	2.0	2.0	2.0	2.0	2.0
TRANSPORTATION PLANNING SPECIALIST 5	106,158	3.0	3.0	3.0	3.0	3.0
WMS 3	137,684	1.0	1.0	1.0	1.0	1.0
Total FTEs		8.0	8.0	8.0	8.0	8.0

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

Bill Number: 5466 SB	Title: Transit Oriented Development	Agency: 405-Department of Transportation
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Part I: Estimates

Check applicable boxes and follow corresponding instructions, use the fiscal template table provided to show fiscal impact by account, object, and program (if necessary), **add rows if needed**. If no fiscal impact, check the box below, skip fiscal template table, and go to Part II to explain briefly, why the program believes there will be no fiscal impact to the department.

- No Fiscal Impact (Explain in section II. A)
If a fiscal note is assigned to our agency, someone believes there might be, and we need to address that, showing why there is no impact to the department.
- Indeterminate Cash Receipts Impact (Explain in section II. B)
- Indeterminate Expenditure Impact (Explain in section II. C)

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

Dollars in Thousands

	2023-25 Biennium		2025-27 Biennium		202-297 Biennium		
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
Expenditures							
000-1 NEW	\$1,455	\$1,416	\$1,166	\$1,166	\$1,205	\$1,166	
Total Expenditures	\$1,455	\$1,416	\$1,166	\$1,166	\$1,205	\$1,166	
Biennial Totals		\$2,871	\$2,332	\$2,371			
FTEs	Salary	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
WMS 3	\$137,684	1.0	1.0	1.0	1.0	1.0	1.0
Transportation Planning Specialist 5	\$106,158	3.0	3.0	3.0	3.0	3.0	3.0
Transportation Planning Specialist 4	\$96,171	2.0	2.0	2.0	2.0	2.0	2.0
Transportation Planning Specialist 3	\$87,139	2.0	2.0	2.0	2.0	2.0	2.0
Annual Average		8.0	8.0	8.0			
Objects of Expenditure							
A - SALARIES AND WAGES	\$841	\$841	\$841	\$841	\$841	\$841	
B - EMPLOYEE BENEFITS	\$297	\$297	\$297	\$297	\$297	\$297	
C - PROFESSIONAL SERVICE CONTRACTS	\$250	\$250					
E - GOODS AND SERVICES	\$11	\$11	\$11	\$11	\$11	\$11	
G - TRAVEL	\$15	\$15	\$15	\$15	\$15	\$15	
J - CAPITAL OUTLAYS	\$41	\$2	\$2	\$2	\$41	\$2	
Expenditures by Program							
PROGRAM V	\$1,300	\$1,265	\$1,015	\$1,015	\$1,050	\$1,015	
PROGRAM T	\$155	\$151	\$151	\$151	\$155	\$151	

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

Agency Assumptions

N/A

Agency Contacts:

Preparer: Cheryl Steben, Business Analyst	Phone: 360-705-7919	Date: 1/30/2023
Approval: Brian Lagerberg, Director	Phone: 360-705-7878	Date: 1/30/2023
Budget Manager: Chad Johnson	Phone: 360-259-3886	Date: 1/30/2023

Individual State Agency Fiscal Note

Part II: Narrative Explanation

II. A - Brief description of what the measure does that has fiscal impact

Briefly describe by section number (sections that will change WSDOT costs or revenue), the significant provisions of the bill, and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency.

Section 2 - Requires the Department of Transportation to create a new division or expand an existing division to provide technical assistance and award planning grants to cities to implement requirements in Section 6; provide compliance review of transit-oriented development regulations and mediate disputes between Department and local governments. The Department is required to adopt any rules to implement requirements in Section 2.

Section 3 – Requires the Department of Transportation to establish and administer a competitive grant program to assist in the financing of housing projects within rapid transit corridors.

Section 4 – Establishes the transit-oriented development housing partnership where revenues and expenditures only for administering the competitive grant program identified in Section 3 and services performed as identified in Section 2.

Section 7(8) – Department of Commerce to coordinate with Department of Transportation on prioritizing applications for grants to facilitate transit-oriented development under Section 7(7) that maximize policy objectives as outlined in Section 7, (8(a-I) and 9(a-d).

II. B – Cash Receipts Impact

N/A

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This is a new program for WSDOT, requiring that the department establish two new grant programs, provide technical assistance, compliance review and adoption of rules. To achieve these objectives will require staffing with specific areas of expertise including but not limited to legal affairs, real estate, permits, alignment with other state agencies, cities, counties, transit agencies, and other transportation providers.

Assuming an \$80 million program, a manager is required to manage and oversee the program (WMS3), at least two lead positions (TPS5s) are required to lead standing up the program, establishing technical capabilities, overseeing legal affairs, aligning, and coordinating parameters, and developing all related aspects of the program. Another four positions (2 TPS4s and 2 TPS3s) are required to assist with program development and continue to play a key role in the execution, delivery, and oversight of the projects once a project list is prioritized and awarded.

In addition, WSDOT will also acquire expert consultants to assist with the development and delivery of the program, as necessary. The consultant costs for initial development are \$500,000 and reflected in the 2023-2025 biennium.

Multi-modal Planning Division estimates costs of \$288,000 for one FTE (Transportation Planning Specialist 5) in 2023-2025 to provide policy analysis, technical assistance, dispute resolution, and rulemaking described in Section 2 of the bill. Also, \$11,000 is estimated to cover standard costs for the FTE, including supplies and materials, telephone and postage, professional development, computer/IT costs, and travel. These costs are in addition to Program V: Public Transportation costs.

Individual State Agency Fiscal Note

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

See IIC - expenditures

Part IV: Capital Budget Impact

N/A

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 2 (2) directs the Department of Transportation to adopt any rules necessary to implement a transit-oriented development housing grant program and associated efforts.

Individual State Agency Fiscal Note

Bill Number: 5466 SB	Title: Transit-oriented development	Agency: 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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.3	0.1	0.3	0.3
Account					
General Fund-State 001-1	0	40,848	40,848	70,342	70,342
Total \$	0	40,848	40,848	70,342	70,342

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: Karen Epps	Phone: 360-786-7424	Date: 01/26/2023
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: 02/01/2023

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. Establishes the legislative intent to provide direction and technical assistance to ensure the benefits of state transportation investments are maximized and shared equitably while avoiding unnecessary programmatic and cost burdens to local governments. Intent is also to provide regulatory flexibility and local control while supporting important features of optimal planning outcomes. Emphasis is direct density around transportation hubs that are later defined in the bill.

Section 3. Amends chapter 47.01 RCW and requires the Department of Transportation (DOT) to consult with the Department of Commerce (Commerce) to create and administer a competitive grant program to assist in financing housing projects within rapid transit corridors. Criteria for eligibility to receive grant awards to state agencies, local governments and non-profit or for-profit housing developers are established. Standards for prioritization of projects for grants are established, and rulemaking authority is given to DOT to establish rules in implement.

Section 5. Amends RCW 36.70A.030, adding definitions,

(12) "Floor area ratio" means a measure of development intensity equal to building square footage divided by property square footage.

(18) defines "Major transit station"

(19) defines "Major transit stop"

(30) defines "Station area".

(31) defines "Station hub".

(32) defines "Transit-oriented density"

Section 6. New section to 36.70A. Cities may not enact or enforce any development regulation within a station area that would prohibit the siting of multifamily residential housing on parcels where any other residential use is permissible.

Within any station area or station hub any maximum floor area ratio otherwise enacted or enforceable under this section must include an increased density bonus of 50% for affordable housing for households with incomes at or below 60 % area median income or for long-term inpatient care as defined in RCW 71.24.025. Childcare facilities, small businesses, residential units in multifamily housing that includes at least 3 bedrooms, must not be counted toward applicable floor area ratio limits.

Maximum residential densities are forbidden in station areas or within a station hub. Floor area ratios of all buildable land area or station hub must be no less than the applicable transit-oriented density.

Any city subject to the requirements of this section that has not adopted local anti-displacement measures as a portion of the city's mandatory housing element under RCW 36.70A.070(2) must, within nine months of the effective date of this section, perform the actions specified in RCW 36.70A.070(2) (e) through (h) within a station area.

Nothing in this section requires alteration, displacement, or limitation of industrial uses or industrial areas within the urban growth area.

Section 7. RCW 36.70A.500 is amended: Appropriations to the growth management planning and environmental review fund established in RCW 36.70A.490 for the purpose of awarding grants to cities to facilitate transit-oriented development under certain criteria. In consultation with DOT, Commerce shall prioritize applications for grants to facilitate transit-oriented development under subsection (7) of this section that maximize the specific policy objectives.

Section 8. Minimum parking requirements are removed with the exception of parking for individuals with disabilities.

Section 9. Cities and Counties may establish categorical exemption from SEPA in efforts to accommodate infill deployment of sustainable transit-oriented development. Any project action that meets the certain criteria is categorically except from the requirements of this chapter.

Section 10, 11, and 12 amend laws regarding homeowners associations and condominium owners groups, do not affect the Growth Management Act, but the restrictions on these groups could generate challenges during the implementation of local ordinances and actions to comply with this proposal.

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.

FISCAL IMPACT: YES to GMHB

ELUHO estimates 6 GMHB petitions per year resulting from this bill.

ELUHO assumes ELUHO’s work on these appeals begins in FY 25.

ELUHO estimates each appeal resulting from this bill will require approximately 60 hours of Hearing Examiner work to complete.

60 hours/appeal x 6 appeals = 360 Hearing Examiner hours per FY, ongoing.

Assume new Hearing Examiner FTE: The GMHB will need approximately 0.25 FTE for a Hearing Examiner with demonstrated knowledge in land use planning and law to assist with the new petitions. RCW 43.21B.005(2) authorizes the ELUHO director to appoint such Hearing Examiners to assist the GMHB. The Hearing Examiner FTE will not serve as a member of the Board, but will assist the board in its hearing function, make conclusions of law and findings of fact, and perform other legal duties to assist the Board.

A Hearing Examiner makes \$100,000 per year, plus related benefits estimated at \$32,021 per year, at current benefits rates. The agency needs a 0.25 FTE Hearing Examiner, so the salary would be \$100,000 x 0.25 FTE = \$25,000, per FY, ongoing. Related benefits would total \$8,005, per FY, ongoing.

Goods and services are estimated at \$1,817 per year, ongoing, and include communications, payroll processing, training, and other staff costs. Estimates include some travel at the low cost per diem rates totaling \$349 per year, ongoing. Also included is one time equipment costs for furniture and computers totaling \$5,557 in fiscal year 2025 (FY25).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	40,848	40,848	70,342	70,342
Total \$			0	40,848	40,848	70,342	70,342

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.3	0.1	0.3	0.3
A-Salaries and Wages		25,000	25,000	50,000	50,000
B-Employee Benefits		8,005	8,005	16,010	16,010
C-Professional Service Contracts					
E-Goods and Other Services		1,937	1,937	3,634	3,634
G-Travel		349	349	698	698
J-Capital Outlays		5,557	5,557		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	40,848	40,848	70,342	70,342

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Hearing Examiner	100,000		0.3	0.1	0.3	0.3
Total FTEs			0.3	0.1	0.3	0.3

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: 5466 SB	Title: Transit-oriented development
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities:** Increased costs due to new zoning and development regulations, associated analysis, and new zoning maps; increased indeterminate costs related to updated comprehensive plan elements and antidisplacement analysis near transit and adopting related policies
- Counties:**
- Special Districts:**
- Specific jurisdictions only:** 95 cities fully planning under the Growth Management Act with major transit stops or major transit stations.
- Variance occurs due to:** Some fully planning cities do not have major transit stops or major transit stations.

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs: Ordinance adoption and analysis costs.
- Legislation provides local option: Applying for grants specified in this act.
- Key variables cannot be estimated with certainty at this time: Scope and scale of comprehensive plan amendments, number of jurisdictions that have implemented antidisplacement measures before the effective date of this act; number of jurisdictions that would require extensive work to adopt the infill development provisions of this act.

Estimated revenue impacts to:

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

Estimated expenditure impacts to:

Jurisdiction	FY 2024	FY 2025	2023-25	2025-27	2027-29
City	11,733,850	4,405,775	16,139,625	2,424,800	32,475
TOTAL \$	11,733,850	4,405,775	16,139,625	2,424,800	32,475
GRAND TOTAL \$					18,596,900

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 02/03/2023
Leg. Committee Contact: Karen Epps	Phone: 360-786-7424	Date: 01/26/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/03/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/03/2023

Part IV: Analysis

A. SUMMARY OF BILL

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

For cities fully planning under the Growth Management Act (GMA), this legislation would establish new transit-oriented development and zoning requirements that would increase residential density near certain high transit areas and ferry terminals.

With some exceptions, this act establishes that cities planning under the GMA may not enact or enforce any new development regulation within a transit station areas or hubs that prohibits the siting of multifamily residential housing on parcels where any other residential use is permissible. These cities may not enact or enforce any new development regulation within a station area or station hub that imposes a maximum floor area ratio of less than the applicable transit-oriented density for any use otherwise permitted, or imposes a maximum residential density, measured in residential units per acre or other metric of land area.

This act expands the categorical exemption for infill development to facilitate residential, mixed-use, and commercial construction in transit-oriented areas specified by this legislation.

Additionally, the bill would authorize the Department of Transportation to provide technical assistance and establish grant programs to support cities that implement development regulations for TOD, and competitive grant programs that would support low- and moderate-income households.

Sec. 2 would be a new section added to 47.01 RCW

The Department of Transportation (WSDOT) would expand its capacity to provide technical assistance, compliance review, and award planning grants to cities that implement Sec. 6 of this act.

Sec. 3 would be a new section added to 47.01 RCW

WSDOT would establish a competitive grant program with the Department of Commerce to award to local governments that would help finance housing projects within rapid transit corridors.

Sec. 5 would amend definitions related to the Growth Management Act, including

(30) Station area, meaning all parcels within an urban growth area (UGA) and three-quarters of a mile radius from a major transit stop.

(31) Station hub, meaning all parcels within a UGA and a quarter mile radius from a major transit stop.

(32) Transit oriented density, meaning a floor area ratio of at least 4.0 for all uses that are permitted in the station area, and floor area ratio of at least 6.0 for all uses that are permitting in the station hub.

Sec. 6 would be a new section added to 36.70A RCW

(1) Cities may not enforce or enact any development regulation within a station area that would restrict the siting of multifamily residential housing on parcels where any other residential use is permitted.

(2) Within a station area or station hub, in addition to the minimum residential densities specified by Sec. 5, a 50 percent increased density bonus must be authorized for housing provided to households with incomes at or below 60 percent of area median income, or for long-term inpatient care. Carve outs for child care facilities, small businesses, and multifamily residential units of at least three bedroom are provided such that these uses must not count towards the applicable floor area ratio limits.

(3) Establishes that for cities that fully plan under the GMA, floor area ratios in station hubs and station areas cannot be less than those specified by Sec. 5, and that new development regulations cannot be measured in residential unit per acre in these transit oriented development areas.

As an alternative, cities may designate parts of a station area or station hub in which to enact or enforce floor area ratios that are more or less than the applicable transit-oriented density if the following conditions are met: the average maximum floor area ratio of all buildable land within a station area or station hub is no less than the applicable transit-oriented

density; no part of a station hub is subject to a maximum floor area ratio that is less than 1.0; and no part of a station area is subject to a maximum floor area ratio that is less than 0.5.

(4) The floor area ratios of this section supersede locally established residential density provisions of local code in areas designated as station hubs and station areas, as of the effective date of this section.

(5) These increased density requirements do not apply to parcels on which the development standards would be impracticable to build a useable structure. The requirements of this section do not apply to development standards contained in a shoreline master program, critical area ordinance, or for parcels listed in the Washington heritage register, or the national register of historic places.

(6) Antidisplacement policies, for those jurisdictions that have not implemented these measures, are required to be implemented around station hubs and station areas within nine months of the effective date of the bill.

(7) Any city subject to the requirements of this section may apply to WSDOT for planning grants and receive technical assistance and compliance review, as per Sec. 2 of this act.

Sec. 7 would amend 36.70A.500

(7) Grants from appropriations to the Growth Management Planning and Environmental Review Fund may be used to facilitate GMA and SEPA objectives related to planning and implementation of transit-oriented development goals as specified by this act. Awards may only fund efforts that address environmental impacts and consequences, alternatives, and mitigation measures, in sufficient detail to allow the analysis to be adopted in whole or in part by applicants for development permits within the geographic area analyzed in the plan.

(8) Commerce, in consultation with WSDOT, must prioritize applications for grants to facilitate transit-oriented developments that maximize increase housing units authorized station areas, with specific attention to station hubs, and other developments that increase densities in these areas.

Sec. 8 would amend 36.70A.620

Removes existing sections of 36.70A.620. Adds that cities fully planning under the GMA may not require off-street parking as a condition of permitting development within a station area, except for off-street parking that is permanently marked for the exclusive use of individuals with disabilities. A lack of parking to comply with this section may not be treated as a basis for issuing a determination of significance under SEPA.

Sec. 9 would amend 43.21C.299

Establishes a new SEPA categorical exemption for infill development to facilitate the deployment of sustainable transit oriented development. Infill development consisting of multifamily residential, mixed-use, or commercial develop in station hubs or station areas, which are consistent with the jurisdiction's comprehensive plan, would be included in the SEPA categorical exemption for infill development.

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.

The proposed legislation would have both determinate and indeterminate impacts on cities, towns, and counties planning under the provisions of the Growth Management Act (GMA) and that have major transit stops and major transit stations. A review of major transit stops and stations included a Department of Transportation (WSDOT) report on Frequent Transit Service and HB 2020 (2022) which indicate that at least 95 cities would be impacted by this legislation.

For expenses that can be estimated at this time, there may be costs of approximately \$18.6 million (\$7,315,000 for new zoning ordinances and development regulations + \$475,000 for new zoning maps and documents + \$10,521,900 in comprehensive plan amendments + \$285,000 in ordinance adoption costs for new State Environmental Policy Act (SEPA) categorical exemption for infill development near transit). New zoning ordinances and development regulations, zoning maps, and ordinances for SEPA infill exemptions would likely occur within one year of the effective date of this act. The costs for the comprehensive plan element amendments would start FY24 and continue until FY28 for the last jurisdiction that updates its comprehensive plan.

There would be additional indeterminate costs for conducting antidisplacement analysis and adopting related policies and potential increased costs for SEPA categorical exemption for infill development near transit. For illustrative expenses that can be estimated at this time, there may be approximately \$3.6 million in additional costs (\$3,513,932 in antidisplacement analysis and adopting ordinances + \$311,616 in additional SEPA categorical infill development costs) and these would likely be incurred within one year after the passage of the bill.

Applying for the grants in Sec. 3 and Sec. 7 of this act would be a local option for jurisdictions that choose to pursue grants for the specific purposes of this act from WSDOT and the Department of Commerce (Commerce), respectively. As this is a local option, there is no impact to cities that do not take action.

IMPACT OF SECTION 6

Adopting New Zoning Ordinances and Development Regulation around Station Areas and Station Hubs:

\$7,315,000 – Costs that can be estimated at this time would exceed \$7.3 million for 95 cities with starting costs of \$77,000 per city to amend local code through a variety new ordinances including zoning, development regulations, and permitting.

The provisions of Sec. 6(4) establish that the floor area ratios of subsection 3 would supersede established residential density provisions of local code in areas designated as transit station hubs and transit station areas, as of the effective date of this section. Cities with major transit stations or major transit stops (Sec. 5 (18) and (19) respectively) and meeting the definitions of Sec. 5(30) and Sec. 5(31) would be required to adopt zoning ordinances and development regulations that provide for increased density within three quarters of a mile of a transit station area and a quarter mile of a transit station hub. Review of similar mass transit definitions in HB 2020 (2022) and WSDOT's 2022 Frequent Transit Study Initial Report, there are least 95 fully planning cities meeting the definition of transit station areas and transit station hubs that this bill would affect.

This work would involve modifying existing local zoning designation and residential use for any residential lot that qualify as a transit station area or a transit station hub in Sec. 6 and create a new designation and use. Amending existing code generally carry higher costs than implementing new code and this work would also extend to any permitting process (site development plan review, variance, conditional use permits), environmental review, and zoning overlays that currently exist within the jurisdiction. Cities impacted by this bill would have to determine which zones are impacted and which ones already comply with the density requirements, if applicable floor area ratios are compatible with the definitions in Sec. 5(32).

Costs for provisions in Sec. 6 include: analyzing comprehensive plan policies and municipal code to determine extent of amendments required; drafting informational materials on reasons for, and approach to, allowing middle housing using floor area ratios (e.g. design regulations to ensure compatibility) for public review; conducting outreach to inform and solicit feedback from residential neighborhoods and developers; drafting proposed amendments for the city's planning commission considerations; a planning commission public hearing and recommendation to the city council; a presentation of the city planning commission's recommendations to the city council; and a city council public hearing and action.

Costs to amend each portion of local code to conform to the requirements of this act may be similar to the grant averages provided by the Department of Commerce in S HB 2343 (2020) where \$4 million in funding had been awarded to 52 fully planning cities with populations over 20,000 to increase residential building capacity under RCW 36.70A.600. The average grant award was \$77,000 per city. The implementation of the ordinances to amend local code would begin in 2024 based on the effective date of the bill but the timing of adopting increased density near transit into local code would likely vary based on the capacity of cities required to adopt such ordinances and the availability of funding to implement these ordinances in the grants detailed in Sec. 3 and Sec. 7.

95 fully planning cities x \$77,000 = \$7,315,000

Some jurisdictions may elect not to bring their codes into conformity with the requirements of this legislation prior to the applicable deadline. In these jurisdictions, the provision will automatically apply and take effect. It is unclear if these jurisdictions would incur any legal costs based upon codes that do not conform to the required code measures. Such costs cannot be anticipated in advance and are indeterminate.

If a jurisdiction were unable to update their code by the effective date and their code were superseded by state statute, there would be increased workload for local government staff to parse their code and differentiate which portions were still enforceable and which were superseded. This would increase the staff time needed to administer their code by an unknown amount, and impact cities that did not implement the ordinance established by this act by the applicable deadline.

Updated Zoning Maps and Zoning Documents

\$475,000 – For cities that have need to revise residential development patterns based on the presence of major transit stops and stations, there would be requirements to adopt new zoning maps and zoning documents reflecting the changes to local zoning.

Costs for cities and counties to adopt new zoning maps may start at \$5,000 per jurisdiction and would include changes to printed documents and digitally accessible maps. These costs would be incurred concurrently with the updated zoning and development regulation ordinances.

95 cities x \$5,000 = \$475,000

Amended Comprehensive Plan Elements

\$10,521,900 – Amending comprehensive plan elements would have costs ranging from approximately \$32,000 to 108,000 per element for the 95 fully planning cities impacted by this bill. These costs assume that the comprehensive plan element amendments are complex, and would be incorporated into existing work cities are conducting with their periodic comprehensive updates. However, these costs depend on the complexity of the amendment, the population size of the jurisdiction, the number of transit station areas and hubs, the internal capacity to perform the element amendments within the planning department, and other factors. These costs would be experienced in all cities with transit station areas or transit station hubs, as the assessed density required to accommodate growth over the next 20-year period within the UGA has increased. Costs may be higher in jurisdictions with greater number of mass transit stops and mass transit stations.

The Housing elements of cities' comprehensive plans would need to be amended to account for the increased density permitted in the UGA to match projected population growth. Land capacity analysis is a requirement of Housing elements within the next periodic update cycle per HB 1220 (2021). Expanding density with identified patterns of mass transit stops and station, under the provisions of this act, would change the analysis planning that jurisdictions undertake when updating these elements from 2024 to 2027 per RCW 36.70A.130. Housing elements generally require complex amendments, however the scope and scale of the updates required by this act would have varying complexities depending on the identified density increase to meet the population projection that are specific to a jurisdiction's UGA. These element amendments may have per city costs ranging from \$32,475 to \$108,250. If the updates require minor element amendments these costs could approximate to \$16,000 to \$32,500.

The Capital facilities plan elements of cities' comprehensive plans would need to be amended to account for the increased density permitted in the UGA to match projected population growth over the 20-year period. Capital Facilities Plan elements are a critical component in the process prescribing allowable density within a UGA because the plans must demonstrate that UGAs can be supported with adequate facilities, services, and funding to sustain urban development. Capital facilities plans, in conjunction with six-year capital improvement plans, can help jurisdictions use limited funding effectively to maximize financing opportunities to support urban services in these areas. Due to the provisions of this bill,

cities would have higher density requirements within the UGA near transit, and planning jurisdictions would have to identify and plan for additional capital facilities' needs and funding within their UGA, including operations and maintenance. Capital facilities plan elements generally require complex amendments. However, the scope and scale of the updates required by this act would have varying complexities depending on potentially increased residential density, which are specific to a jurisdiction's UGA. These element amendments may have per city costs ranging from \$32,475 to \$108,250. If the updates require minor element amendments these costs could approximate to \$16,000 to \$32,500.

Estimate for Comprehensive Plan Element Update:

These costs assume that the comprehensive plan element amendments are complex, and would be incorporated into existing work cities are conducting with their periodic comprehensive updates. However, these costs depend on the complexity of the amendment, the population size of the jurisdiction, the number of transit station areas and hubs, the internal capacity to perform the element amendments within the planning department, and other factors.

These comprehensive plan element costs use estimates for complex element updates from HB 1181 (2023). Large cities are cities with greater than 100,000 in population, while medium size cities have populations between 10,000 and 100,000 in population, and small cities have less than 10,000 in population.

Two complex element amendments:

Small sized cities: $\$32,475 \times 2 = \$64,950$

Medium sized cities: $\$54,125 \times 2 = \$108,250$

Large sized cities: $\$108,250 \times 2 = \$216,500$

22 small cities

$22 \times \$64,950 = \$1,428,900$

62 medium cities

$62 \times \$108,250 = \$6,711,500$

11 large cities,

$11 \times \$216,500 = \$2,381,500$

Total element update costs: \$10,521,900

The following per fiscal year costs estimates assume that the amendments to long-range planning that jurisdictions undertake occurs during the next periodic update cycle for these elements as specified by RCW 36.70A.130, and follow the two-year planning and implementation timeline specified by Commerce:

FY

2023 \$3,658,850

2024 \$4,405,775

2025 \$1,569,625

2026 \$855,175

2027 \$32,475

Total: \$10,521,900

Antidisplacement Analysis and Adopting Policies:

Indeterminate – An unknown number of jurisdictions have implemented and adopted local antidisplacement measures. Any cities that are subject to Sec. 6(6) of this act, and have not implemented such measures, would be required to adopt

these measures within three-quarters of a mile of a station area, and one-quarter mile of a station hub within nine months of the effective date of this act. Review of Commerce’s Housing Action Plan Implementation grants from 2022 indicate that there are 24 cities of the 95 identified cities with station hubs or station areas. An illustrative example of costs are provided below for the 71 non-duplicated jurisdictions identified.

The antidisplacement provision in Sec. 6(6) requires cities to implement parts of HB 1220 (2021) early and primarily focuses this work around major transit stops. An assessment by AWC indicates that focusing on anti-displacement around mass transit would make the work more challenging by refining the data that must be collected and analyzed. An unknown number of cities have implemented antidisplacement policies as these are not a requirement of existing Housing elements, but are requirements of Housing elements in the next periodic comprehensive plan update. The first of these comprehensive plans is due in December 2024, where-as the implementation of Sec. 6 would be nine months after the passage of this bill. AWC indicates that 74 cities have or are conducting Housing Action Plans which may consider antidisplacement policy measures, but implementing these policies are not a requirement of the plans per RCW 36.70A.600.

Illustrative example of Sec. 6(6) Costs:

For illustrative purposes the Local Government Fiscal Note (LGFN) Program assumes at the cities that received Housing Action Plan Implementation grants from the Department of Commerce are the only cities meeting the implementation requirements of this bill. The remaining 42 cities with identified station areas and station hubs would be required to conduct the antidisplacement and non-exclusionary planning work of Sec. 6 within nine months of the passage of this bill. Estimates from AWC indicate that this analysis could cost approximately \$40,000 per impacted city per HB 1110 (2023).

71 cities without locally adopted antidisplacement measures x \$40,000 per city = \$2,840,000

These cities would be required to adopt antidisplacement ordinances as part of their 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 costs include costs for draft ordinances, advisory commission meeting and recommendation, finalized ordinance, publication of ordinance, and general public information. LGFN assumes that these ordinances are complex, with a hearing of the same complexity, and the following illustrative ordinance adoption costs can be estimated:

67 cities x \$9,492 costs for a complex ordinance with a hearing of the same complexity = \$673,932

Note: These cost estimates are for only one meeting or staff report, more complex ordinances would likely require more meetings and potentially more staff reports. There would be further costs associated with enforcing or executing the ordinance.

Total illustrative antidisplacement analysis and ordinance adoption costs: \$3,513,932

GRANTS AUTHORIZED IN SEC. 3 AND SEC. 7

Grants authorized by Sec. 3

Local Option - Per Sec. 6(7) any city subject to the requirements of this section may apply to WSDOT for planning grants and receive technical assistance and compliance review, as per Sec. 2 and Sec. 3 of this act. Local governments applying for these grants would be doing so as a local option, there would be no cost for cities that take no action. The costs to apply for the competitive grants may be de minimis to more substantive depending on the how much staff time a city would take to review and prepare the grant application, which local governments have indicated are more time consuming for competitive grants when compared to formula-based grants.

Grants Authorized by Sec. 7

Local Option - Grants from appropriations to the Growth Management Planning and Environmental Review Fund may be used to facilitate GMA and SEPA objectives related to planning and implementation of transit-oriented development goals as specified by this act. Local governments applying for these grants would be doing so as a local option, there would be no cost for cities that take no action. The costs to apply for the competitive grants may be de minimis to more substantive depending on the how much staff time a city would take to review and prepare the grant application, which local governments have indicated are more time consuming for competitive grants when compared to formula-based grants. Awards may only fund efforts that address environmental impacts and consequences, alternatives, and mitigation measures, in sufficient detail to allow the analysis to be adopted in whole or in part by applicants for development permits within the geographic area analyzed in the plan.

COSTS TO AMEND CODE FOR SEPA CATEGORICAL EXEMPTION:

Costs may start at \$285,000 – There 95 cities that plan under the GMA that may have costs starting at \$3,000 to adopt new categorical infill exemptions for increased development in transit station areas and transit station hubs. If these jurisdictions adopted the provisions of Sec. 9 the costs may be approximately \$285,000. However, an unknown number of jurisdictions would likely amend the municipal code in a way that requires more costly updates than a simple ordinance with a hearing of the same complexity.

Sec. 9 establishes a new SEPA categorical exemption for infill development to facilitate the deployment of sustainable transit-oriented development. Infill development consisting of multifamily residential, mixed-use, or commercial develop in transit station hubs or transit station areas, which are consistent with the jurisdiction’s comprehensive plan, would be included in the SEPA categorical exemption for infill development. Many jurisdictions have adopted SEPA categorical exemptions by reference and incorporating the provisions of this act for residential infill development may carry minimal costs for these jurisdictions. However, other jurisdictions may need to amend other development and zoning regulations to incorporate the changes to existing infill development exemptions, which would have additional costs. The number of cities and counties that would choose one option or the other cannot be determined in advance.

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 \$3,000 for a simple ordinance to \$9,492 for a complex ordinance. These estimates include costs for draft ordinances, 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:

All cities adopting the new SEPA categorical exemption by reference: $95 \times \$3,000 = \$285,000$

Illustrative Example of Amended Local Code for SEPA Infill Development near Transit:

If half of the 95 ($95/2 = 47.5$ cities, approximates to 48) cities that plan under the GMA with station areas and station hubs would have to amend their existing code to conform to the new SEPA categorical exemptions, as described in this legislation, the total illustrative estimated costs would be:

Cities adopting SEPA categorical exemption by reference: $47 \times \$3,000 = \$141,000$

Cities adopting more expansive SEPA categorical exemption: $48 \times \$9,492 = \$455,616$

Illustrative Estimate Total: \$596,616

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 would impact local government revenues through the creation of newly established competitive grants with the Washington State Department of Transportation (WSDOT) in Sec. 3, and the expansion of Planning and Environmental Review Fund grants in Sec. 7. The magnitude of the local government revenue increase would depend on appropriations made by the legislature for the specific purposes of this act and the number of cities that apply and are successfully awarded grant funding through these programs. The value and the number of successful grantees cannot be

known in advance.

Sec. 3 would authorize WSDOT to establish a competitive grant program with the Department of Commerce to award to local governments that would help finance housing projects within rapid transit corridors.

Growth Management Planning and Environmental Review Fund Grants would be authorized in Sec. 7 to fund efforts that address environmental impacts and consequences, alternatives, and mitigation measures, in sufficient detail to allow the analysis to be adopted in whole or in part by applicants for development permits within the geographic area analyzed in the plan.

SOURCES:

Association of Washington Cities

Ben Franklin Transit, Metro 1 & Metro 3 Schedules

Clark County, C-Tran

Department of Commerce, FN S HB 2343 (2020)

Department of Commerce, FN HB 2020 (2022)

King County, Rapid Line

Local Government Fiscal Note Program, FN HB 1110 (2023)

Local Government Fiscal Note Program, FN HB 1181 (2023)

Local Government Fiscal Note Program, FN HB 1402 (2023)

Local Government Fiscal Note Program, FN HB 2020 (2022)

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

Municipal Research and Services Center, Growth Management Act

Municipal Research and Services Center, Local Ordinances for Washington Cities and Counties (2015)

Pierce Transit, Pierce Transit BRT

Puget Sound Regional Council

Senate Bill Analysis, SB 5466 (2023)

Snohomish County, Community Connections Blue Line

Sound Transit, Sounder Train Station

Spokane Transit Authority

Washington State Association of Counties

Washington State Department of Transportation, Frequent Transit Service Study Initial Report (2022)

Washington State Department of Transportation, Link Light Rail

Washington State Department of Transportation, Park and Ride Locations