

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5364 S SB	<b>Title:</b> Lot splitting
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## Estimated Cash Receipts

NONE

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.4	100,771	100,771	100,771	.0	0	0	0	.0	0	0	0
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.4</b>	<b>100,771</b>	<b>100,771</b>	<b>100,771</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other			5,232,000						
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			5,232,000						

## Estimated Capital Budget Expenditures

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

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

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Gwen Stamey, OFM	<b>Phone:</b> (360) 790-1166	<b>Date Published:</b> Final 2/14/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5364 S SB	<b>Title:</b> Lot splitting	<b>Agency:</b> 103-Department of Commerce
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	0.3	0.4	0.0	0.0
<b>Account</b>					
General Fund-State      001-1	58,320	42,451	100,771	0	0
<b>Total \$</b>	58,320	42,451	100,771	0	0

### 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: Julie Murray	Phone: 786-7711	Date: 02/04/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/10/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/10/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/10/2023

## 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 2 adds a new section to RCW 36.70A amending the Growth Management Act (GMA), chapter 36.70A RCW, requiring planning cities to amend their municipal codes to allow lot splitting that meets certain criteria and standards. This new section of the GMA will preempt applicable sections of municipal codes that have not been amended by July 1, 2024.

### 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 department will engage in minor rulemaking to update chapter 365-196 WAC to reflect the new lot splitting development regulation requirements. This level of rulemaking can be absorbed into existing rulemaking workloads and will not require additional Attorney General costs.
- The department assumes that existing regional planning staff will provide additional technical assistance that participating jurisdictions will need to update their development regulations consistent with the proposed legislation, including reviewing and potentially commenting on updates to development regulations as part of the annual comprehensive plan update process.

0.1 FTE Management Analyst 4 (209 hours) in FY24, to update chapter 365-196 WAC as part of a regular rulemaking workload.

0.25 FTE Commerce Specialist 3 (209 hours) in FY24-FY25, to provide technical assistance to jurisdictions for updates to their development regulations and any needed follow up guidance for implementation after code amendments.

#### Salaries and Benefits:

FY24: \$39,361

FY25: \$28,711

#### Goods and Services:

FY24: \$6,009

FY25: \$4,294

#### Intra-agency Reimbursements:

FY24: \$12,950

FY25: \$9,446

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney

General costs, central services charges and agency administration.

Total costs:

FY24: \$58,320

FY25: \$42,451

### 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	58,320	42,451	100,771	0	0
<b>Total \$</b>			58,320	42,451	100,771	0	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	0.3	0.4		
A-Salaries and Wages	29,135	21,129	50,264		
B-Employee Benefits	10,226	7,582	17,808		
C-Professional Service Contracts					
E-Goods and Other Services	6,009	4,294	10,303		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	12,950	9,446	22,396		
9-					
<b>Total \$</b>	58,320	42,451	100,771	0	0

#### 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 Services - Indirect	111,168	0.1	0.0	0.1		
Commerce Specialist 3	82,056	0.3	0.3	0.3		
Management Analyst 4	86,212	0.1		0.1		
<b>Total FTEs</b>		0.5	0.3	0.4		0.0

#### 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.*

The department will need to engage in minor rulemaking to update guidelines on lot splitting in chapter 365-196 WAC.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5364 S SB	<b>Title:</b> Lot splitting	<b>Agency:</b> 468-Environmental and Land Use Hearings Office
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Julie Murray	Phone: 786-7711	Date: 02/04/2023
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 02/08/2023
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 02/08/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/14/2023

## 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 is a very narrowly defined bill that allows for one-time lot splits within a city's boundary and within a city's urban growth area (UGA). Certain standards such as minimum lot sizes of 1500 square feet and no resulting parcel to be less than 40 % of the original parcel are required. Cities cannot impose regulations on residential lots that are a result of a lot split that would require more than one off street parking space per lot, require more than 20 feet of frontage width per lot, require easement widths of specified width, impose design standards or impact fees on construction on a lot resulting from a lot split that are greater than those imposed on new residential construction generally within the same zone, or impose requirements for dedications of rights-of-way or construction of off-site improvements.

With such narrowly defined standards the estimated fiscal impact to the Growth Management Hearings Board (GMHB) is negligible.

ELUHO assumes any impacts can be absorbed by the GMHB.

### II. B - Cash receipts Impact

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

None

### II. C - Expenditures

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

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

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

NONE

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

NONE

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

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE



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

NONE

**IV. C - Capital Budget Breakout**

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

NONE

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

NONE

None

**Part V: New Rule Making Required**

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

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5364 S SB

Title: Lot splitting

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

### Legislation Impacts:

Cities: Cities would be required to incorporate lot splitting into their local code for all residential zones that allow for detached single-family residences.

Counties:

Special Districts:

Specific jurisdictions only: Only applies to cities fully planning under the Growth Management Act.

Variance occurs due to:

## Part II: Estimates

No fiscal impacts.

Expenditures represent one-time costs: Ordinance adoption and accompanying analysis.

Legislation provides local option:

Key variables cannot be estimated with certainty at this time: The number of cities that would also be required to revise subdivision codes to achieve internal consistency with the required lot splitting ordinance; scope and scale of amendments to comprehensive plans to account for housing and infrastructure changes of the lot splitting ordinance; number of cities that would need to conduct transportation and infrastructure evaluations to account for system demand changes as a result of the lot splitting ordinance.

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

Jurisdiction	FY 2024	FY 2025	2023-25	2025-27	2027-29
City	5,232,000		5,232,000		
<b>TOTAL \$</b>	5,232,000		5,232,000		
<b>GRAND TOTAL \$</b>					<b>5,232,000</b>

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: 02/08/2023
Leg. Committee Contact: Julie Murray	Phone: 786-7711	Date: 02/04/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/08/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/10/2023

## Part IV: Analysis

### A. SUMMARY OF BILL

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

This legislation would require cities planning under the Growth Management Act to adopt or amend development regulations, zoning regulations, and other official controls to allow for lot splitting in residential zones that allow detached single-family dwellings. The provisions of this bill would apply to residential zones allowing for detached single-family residences within the urban growth area.

Sec. 2 is a new chapter added to 36.70A RCW

By July 1, 2024, cities planning under the GMA would be required to adopt or amend development regulations, zoning regulations, or other official controls to authorize lot splitting in residential zones that permit detached single-family dwellings. For jurisdictions that do not adopt or amend local code by July 1, 2024, Sec. 2 of this act would supersede, preempt, and invalidate any conflicting development regulation.

(2) When adopting or amending local code, cities may not:

(a) Prohibit splitting a lot in a residential zone that allows for detached single-family residences so long as the resulting lots are:

(i) through (v) At least 1,500 square feet, at least 40 percent of the size of the original lot, the original lot was not a split lot authorized by this section, the lot splitting does not result in demolition or alteration of an affordable housing unit or displacement of renter paying a market rate is the last year, any construction on the split lot is subject to all state and local laws related to stormwater, critical areas, shorelines, and conservation areas.

(b) Impose regulations on a residential lot that is the result of a lot split that:

(i) through (v) Requires more than one off-street parking space per lot, require more than 20 feet of frontage width per lot, requires easement widths of more than four feet for access to rear lots, imposes design standards or impact fees that are greater than those imposed on new residential construction within the same zone, impose requirements for dedicated rights-of-way or for construction of off-site improvements.

The bill takes effect 90 days after adjournment of the session in which the bill is passed.

### B. SUMMARY OF EXPENDITURE IMPACTS

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

This proposed legislation would result in determinate and indeterminate expenses for cities and towns that fully plan under the Growth Management Act (GMA).

For expenses that can be estimated at this time, there would be at least \$5.2 million in ordinance adoption and supporting zoning document update costs for the 218 cities impacted by this bill to incorporate lot splitting into their municipal code. The timing of these ordinances would occur in FY24 to comply with the July 1, 2024 deadline established in Sec. 2(1). There would be an unknown number of cities that this bill applies to, which would not implement the amendments in this bill by the July 1, 2024 deadline.

There would be additional significant indeterminate costs for cities to update comprehensive plan elements, subdivision development regulations and/or design standards, and conduct transportation and infrastructure evaluations in support of the lot splitting regulations purposed by this bill. The scope and scale of these indeterminate cost would vary based on the impacted jurisdiction, as well as the number of affected residential lots that allow for detached single-family dwellings. These costs cannot be determined in advance, but illustrative estimates are provided for context.

Some jurisdictions may elect not to bring their codes into conformance 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 July 1, 2024 deadline 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.

#### ADOPTING DEVELOPMENT AND ZONING REGULATIONS FOR LOT SPLITTING

\$4,142,000 - The Association of Washington Cities (AWC) assumes that amending existing local code would be similar to costs for adopting ordinances similar to those found in HB 1337 (2023) with cost of approximately \$19,000 per city and include State Environmental Policy Act (SEPA) review.

218 cities with urban growth areas x \$19,000 = \$4,142,000

#### AMENDMENTS TO ZONING MAPS AND/OR DOCUMENTS.

\$1,090,000 – For that amend their municipal code to allow for lot splitting within the urban growth area (UGA) boundary, there would be requirements to adopt new zoning maps and zoning documents reflecting the lot zoning amendments.

According to AWC, the costs for cities to adopt new zoning maps may start at \$5,000 per jurisdiction and would include changes to printed documents and digitally accessible maps. The timing of these costs would occur concurrently with the development of the lot splitting ordinance in FY24, except for those cities that do not amend their code by July 1, 2024.

218 cities x \$5,000 = \$1,090,000

#### AMENDING LOCAL CODE FOR SUBDIVISIONS

Indeterminate - Each city that would need to amend subdivision code to achieve internal consistency with Sec. 2 of this act may have costs that exceed \$17,000 based review of grants to support urban residential housing provided by the Department of Commerce in 2021. The number of jurisdictions to which these amended subdivision code requirements would apply is not currently known.

Depending on how a city's municipal code is implemented, cities may be required to make amendments to subdivision code to be in compliance with the requirements of Sec.2 of the act. AWC and the American Planning Association – Washington Chapter indicate that these code amendments would be necessary in cities to which existing code is incompatible with Sec. 2, in order to make the smaller lots sizes established by this bill internally consistent with the rest of their municipal code. An example might be if subdivision design or lot layout standards were required under a city's existing subdivision standards. Amendments to existing standards would be required meet under the new requirements in Sec. 2(2) and therefore would have to be repealed via ordinance.

#### Illustrative Example of Subdivision Code Amendments

If half of all impacted cities would be required to amend existing subdivision code to achieve consistency with the provisions of Sec. 2 of this act, there would be 108 affected municipalities. These cities may have costs of approximately \$17,200 per impacted city, based on assessment of grants provided by the Department of Commerce to support middle housing ordinances and Housing Action Plans through HB 1921 (2019).

109 cities x \$17,200 = \$1,874,800

## AMENDMENTS TO CITY HOUSING AND CAPITAL FACILITIES PLAN ELEMENTS,

Indeterminate – Amending comprehensive plan elements may have costs ranging from approximately \$16,200 to \$32,500 per element, for every city with an urban growth area. These figures assume the scope and scale of the amended elements is minor. Some impacted cities may have less complicated updates than others, which would depend on the number of affected residential zones and the number of impacted detached single-family lots. For illustrative costs that can be estimated at this time, these amendments may cost approximately \$8,654,680 and the timing of these expenses would occur between FY24 and FY27.

Total costs of bills that cause GMA element amendments are affected by the applicability (the total number of jurisdictions that are affected) and Sec. 2 impacts each city that has a UGA, which is all fully planning cities. The costs for GMA element amendments in this bill depend on the complexity of the amendment, the population size of the city, the prior planning work conducted by the jurisdiction, the scale and scope of the increased density provided by lot splitting, the internal capacity to perform the element amendments within the city’s planning department, and other factors.

Housing elements would need to be amended to account for the increased housing density available through lot splitting detached single-family properties. Land capacity analysis is a requirement of Housing elements within the next periodic update cycle per HB 1220 (2021). For cities impacted by this bill, this act would require this capacity analysis be conducted prior the submission of their next periodic comprehensive plan update, scheduled for December 2024 through June 2027, per RCW 36.70A.130. Housing elements generally require complex amendments, however, the scope and scale of the updates required by adopting the lot splitting ordinance and increasing residential density would have varying complexities depending on the number of impacted residential zones and the number of detached single-family lots within the UGA. These element amendments may have per city costs ranging from \$16,238 to \$32,475 if they are minor comprehensive plan element updates.

### Illustrative Estimate:

LGFN assumes the costs would be similar the minor element amendments found in HB 1181 (2023) and that the small jurisdictions under 10,000 in population would have element amendment costs of \$16,238, medium sized jurisdictions with populations between 10,000 and 100,000 would have costs of \$24,356, and large jurisdictions above 100,000 in population would have costs of \$32,475.

Small Cities:  $131 \times \$16,238 = \$2,127,178$

Medium Sized Cities:  $77 \times \$24,356 = \$1,875,412$

Large Cities:  $10 \times \$32,475 = \$324,750$

Total: \$4,327,340

Capital facilities plan elements are a critical component in the process of designated or expanding UGAs 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. By taking the increasing residential density within a UGA, planning jurisdictions would have to identify and plan for capital facilities’ needs and funding in designated and expanded UGAs, including operations and maintenance. Capital facilities plan elements generally require complex amendments, however the scope and scale of the updates required by incorporating the lot splitting ordinance would have varying complexities depending on development patterns specific to a jurisdiction’s UGA. These element amendments may have per city costs ranging from \$16,238 to \$32,475 if they are minor comprehensive plan element updates.

Illustrative Estimate:

LGFN assumes the costs would be similar the minor element amendments found in HB 1181 (2023) and that the small jurisdictions under 10,000 in population would have element amendment costs of \$16,238, medium sized jurisdictions with populations between 10,000 and 100,000 would have costs of \$24,356, and large jurisdictions above 100,000 in population would have costs of \$32,475.

Small Cities: 131 x \$16,238 = \$2,127,178

Medium Sized Cities: 77 x \$24,356 = \$1,875,412

Large Cities: 10 x \$32,475 = \$324,750

Total: \$4,327,340

## TRANSPORTATION AND INFRASTRUCTURE EVALUATIONS

### Transportation Evaluations:

Indeterminate – If every city that was required to implement the lot splitting ordinance required a transportation evaluation to determine how the new code impacted traffic patterns and services, costs could be significant. However, it is not currently known if all cities would have to conduct these assessments.

This bill would impact the transit patterns in modified single-family zoning districts in impacted cities. Costs would be more extensive in jurisdictions with a greater number of single-family zones. Costs estimates for transportation evaluations conducted during jurisdiction’s planned action in Association of Washington Cities 2020 Planning Cost Survey indicate that city costs have a range of \$35,000 to \$63,000.

Transportation analysis of the rezoning could be considerably expensive for those jurisdictions that are impacted by this legislation. Transportation evaluations consider a wide number of variables in the potential effect of a purposed rezone, including but not limited to: vehicle ownership, vehicle operation, travel time, potential traffic collision impacts, health impacts, parking considerations, congestion impacts, road facilities capacity, land value, traffic services, transport diversity, air pollution, greenhouse gas emissions, noise pollution, land use impacts, water pollution, and waste generation.

### Infrastructure Evaluations:

Indeterminate – If every city that was required to implement the lot splitting ordinance required an infrastructure evaluation to determine how the new code impacted demand on existing infrastructure systems, including domestic water, sewer, stormwater, and solid waste, costs could be significant. These costs may approximate to the costs of the transportation evaluations but would vary based on patterns of new development and the capacities of the existing systems. However, it is not currently known if all cities would have to conduct these assessments. It is also unknown if cities could integrate an infrastructure evaluation when updating their Capital Facilities Plan element.

## C. SUMMARY OF REVENUE IMPACTS

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

This legislation is not anticipated to impact local government revenues.

### SOURCES:

Association of Washington Cites

Association of Washington Cities, City Planning Cost Survey (2020)

American Planning Association – Washington Chapter

Department of Commerce

Department of Commerce, A Guide to the Periodic Update Process under the GMA (2022)

Department of Commerce, Guidance for HB 1220 and Related Bills (2022)

Local Government Fiscal Note Program, FN HB 1337 (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 1660 (2022)  
Municipal Research Services Center, Comprehensive Planning  
Municipal Research Services Center, Missing Middle Housing  
Municipal Research Services Center, Urban Growth Areas  
Victoria Transport Policy Institute, Transportation Cost Analysis (2022)