

Multiple Agency Fiscal Note Summary

Bill Number: 5190 S SB	Title: Middle housing
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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	Fiscal note not available					
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	5.9	2,128,732	2,128,732	2,128,732	5.3	1,561,382	1,561,382	1,561,382	5.3	1,568,582	1,568,582	1,568,582
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
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 \$	6.0	2,169,580	2,169,580	2,169,580	5.6	1,631,724	1,631,724	1,631,724	5.6	1,638,924	1,638,924	1,638,924

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	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.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	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Gwen Stamey, OFM	Phone: (360) 790-1166	Date Published: Preliminary 2/15/2023
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Individual State Agency Fiscal Note

Bill Number: 5190 S SB	Title: Middle housing	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	5.9	5.9	5.9	5.3	5.3
Account					
General Fund-State 001-1	1,233,391	895,341	2,128,732	1,561,382	1,568,582
Total \$	1,233,391	895,341	2,128,732	1,561,382	1,568,582

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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/09/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/14/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/14/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/15/2023

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.

Differences between the substitute bill and the original bill:

Several sections of the bill modified the fiscal impact to the Department of Commerce (department), including changes in sections 3, 5, 6, and 8, adding new provisions and renumbering sections accordingly.

Summary of the substitute bill:

Section 2 amends RCW 36.70A.030 adding several new housing-related definitions to the Growth Management Act (GMA).

Section 3(1) modifies the minimum density requirements, affordability provisions, and population thresholds from the original bill by creating two sets of requirements, one for cities with a population of 25,000 - 75,000 and another for cities with a population above 75,000 or any city within a contiguous urban growth area with a city population above 200,000.

Section 3(5) requires the department to develop guidance to assist cities on items to include in the parking study required earlier in section 3, which study can be the basis to allow an exemption to the parking requirements. The study must be prepared by a credentialed transportation or land use planning expert and empirically demonstrate that the lack of minimum parking requirements in a defined area would make on-street parking infeasible or unsafe for residents. This exemption, including a parking study informed by department guidance, was not included in the original.

Section 3(8) changes the deadline by which cities currently meeting the population thresholds must comply with the density requirements to six months after its next periodic comprehensive plan update, instead of 24 months after the effective date of the bill.

Section 5(2) changes the deadline by which the department must publish a model middle housing ordinance to no later than six months, rather than 18 months, after the effective date of the bill.

Section 5(3) specifies the criteria by which the department may approve "substantially similar" and "alternative" local actions to determine compliance with the bill, including viewing favorable plans and regulations that authorize an overall increase in density throughout the city in units allowed per single family lot that is at least 75 percent of the overall single-family density throughout the city, whereas no such criteria were specified in the original version.

Section 6 adds a new section to RCW 36.70A creating a new certification program in which cities apply to the department for an extension in implementing the bill's requirements in areas at risk of displacement as determined by the anti-displacement analysis required to be completed under RCW 36.70A.070(2) (HB 1220 (2022)).

Section 8(2) modifies the criteria for cities to receive an extension for implementing the middle housing requirements due to water, sewer, or stormwater deficiencies, but retains the original framework that cities must apply to the department for an extension of the implementation timelines based on the identified criteria.

Section 8(6) requires the department to provide the legislature with a list of projects identified in a city's capital facilities plan that were the basis for an extension under Section 8, including planning level estimates. This subsection also allows a city that has received an extension to reapply for additional extensions at its subsequent periodic update or implementation progress report, provided it provides the department a list of infrastructure improvements necessary to meet the capacity required to implement the bill. The original version only allowed one additional extension.

Section 10 adds a new section to RCW 36.70A providing that cities taking actions to comply with this act shall be deemed to be in compliance with RCW 36.70A.070(2)(d) until June 20, 2032.

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 assumes significant administrative rulemaking for the middle housing model ordinances and other processes as well as ongoing work monitoring, approving, or denying local actions to implement the bill, under Sections 3, 5, 6, 8.

- Development of a middle housing model ordinance would likely involve retaining consultant services with expertise. The department assumes that the substitute's more immediate deadline for the department to develop the model ordinance from eighteen to six months after the bill's effective date and its increased complexity through establishing different requirements for differently tiered cities based on population and proximity to large jurisdictions will increase consultation costs by \$50,000 (based on 1,250 hours at \$200 an hour) over the original fiscal note and consolidate it into FY24 to meet the new deadline.

- The department assumes ongoing monitoring of local housing plans and comprehensive plan updates, including related technical assistance and training statewide with development of new certification processes in sections 5 (approval of substantially similar local actions), 6 (extension for anti-displacement implementation), and 8 (extension for infrastructure deficiencies).

- The department assumes that the new anti-displacement extension certification processes, which was not in the original version, will slightly increase the workloads for the Commerce Specialist 3, Commerce Specialist 4, and Management Analyst 4 over the workload assumptions in the original bill's fiscal note and will require additional rulemaking to develop criteria for approving or denying extension requests.

- The department assumes that that cities will develop their anti-displacement policies by or before their next periodic update deadline and that approximately 50% of jurisdictions will request extensions based on those policies, which assumption is based on data from the Puget Sound Regional Council's displacement risk GIS mapping tool. The department assumes that the modified criteria in the Sections 5 and 8 certification processes will not change the staff workload assumption in the original note with respect to those programs.

- The department assumes that the new legislative report required in Section 8(6), regarding the list of capital projects identified as the basis for an extension request, will not increase department staff workload or IT costs over the fiscal impact assumptions in the original bill's fiscal note.

- The department assumes that Section 3(8)'s new implementation deadline requirements, whereby cities currently meeting the population thresholds must comply with the density requirements six months after the periodic comprehensive plan update, instead of 24 months after the bill's effective date, will not change the overall fiscal impact.

- The department assumes that the substitute's new provision in Section 3(5), requiring the department to develop guidance to assist cities on items to include in a parking study, will likely involve retaining consultant services with expertise in FY24 but not require additional rulemaking. The department assumes a professional services contract of \$100,000 (based on 500 hours at \$200 per hour) to meet this requirement by the deadline.

- The department assumes \$17,000 per fiscal year, FY24-FY25, and \$10,000 in FY24-FY29, ongoing in AAG rulemaking review and consultation for rulemaking and general guidance required throughout this bill, including guidelines in Sections 3, 5, 6, and 8, based on similar high level GMA guidance and rulemaking review. Ongoing AAG costs of \$10,000 assume the cost of legal services required for potential appeals of department decisions under Section 5. The department assumes that the added AAG costs for rulemaking review and consultation for rulemaking and general guidance over the original are due to the new anti-displacement extension certification program that will require rulemaking and the parking study guidance. Other modifications in the substitute to programs created in the original do not change the fiscal impact assumptions with respect to AAG costs.

- Additional significant department IT work will be required to initially upgrade its internal planning data system for tracking submitted materials, FY24-FY25, and ongoing maintenance. The department assumes \$50,000 a year for the first two years for immediate IT upgrades for tracking and new workflow for receiving local amendments, department approval processes, certification and tracking of timeline extensions, and the legal appeals of department decisions, and 0.3 FTE for two IT staff to upgrade and maintain the planning data system to implement new requirements (Sections 3, 5, 6, and 8).

- Grant assumptions: Between 60 and 80 communities will be updating their plans and regulations, a total of 330 jurisdictions between FY24 and FY28. Past grants ranged in size, depending on the size of the community, with smaller jurisdictions getting proportionately more due to small internal capacity and substantial technical assistance from the department. The department assumes about 50% of jurisdictions will request grants and technical assistance for middle housing, while the others lack capacity to write the grants. With about 250 jurisdictions to complete updates after this year, and about 120 potentially applying for and getting grants of about \$75,000 each equals \$9,000,000 along with \$2,000,000 is administrative and technical assistance to help over the four years. The total amount is \$5.5 million for each biennium, or \$4.5 million in grants and \$1 million in technical assistance. The department assumes that the population threshold modifications in the substitute bill do not alter these grant assumptions.

Sections 2-6, 8, and 10:

1.1 FTE Commerce Specialist 4 (2,297 hours) in FY24-FY29, ongoing, to serve as the statewide expert in middle housing planning and oversee implementation and management of the new review and certification programs.

2.6 FTE Commerce Specialist 3 (5,429 hours) in FY24-FY29, ongoing, to assist Commerce Specialist 4 in above activities. Manage grants, work with local governments on their housing elements and development regulations specifically related to middle housing.

0.3 FTE Management Analyst 4 (626 hours) in FY24-FY25, to provide professional and technical advice to management for rulemaking administration and technical support for approval process and timeline extension programs.

0.2 FTE Administrative Assistant 3 (418 hours) in FY24-FY29, to review documents, records, or applications for completeness, accuracy, and compliance with rules. Composes office correspondence such as requests for documentation and responses to requests for information.

0.5 FTE IT Business Analyst Expert (1,086 hours) in FY24 and FY25, and 0.3 FTE (626 hours) FY26-FY29, for significant system maintenance and upgrades to the plan review data and program tracking system, including major data system upgrades for new programs and ongoing maintenance and periodic upgrades thereafter.

0.3 FTE IT Application Developer (626 hours) in FY24-FY29, for system maintenance for upgrades to the data and program tracking database.

Salaries and Benefits:

FY24: \$598,406

FY25: \$618,659

FY26-FY29: \$545,501 each fiscal year

Professional Services Contracts:

Section 3 requires a contract in FY24 to provide professional expertise for guidance to assist cities on items to include in the parking study at 500 hours with a billable rate of \$200 per hour, \$100,000 in total cost in FY24. Section 5 requires a contract in FY24 to provide professional expertise for model ordinance development at 1,250 hours with a billable rate of \$200 per hour, \$250,000 in total cost in FY24.

FY24: \$350,000

Goods and Services:

Includes \$17,000 in FY24-FY25 (81 hours at \$210 per hour each fiscal year) for AAG and legal review of draft guidelines adopted by rule guidance through rulemaking, model ordinance review, and traffic study guidelines review. This includes \$10,000 FY26-FY29 (48 hours at \$210 per hour each fiscal year) for legal services and ongoing appeals of department decisions under Section 5.

FY24: \$67,700

FY25: \$67,734

FY26-FY29: \$55,720 each fiscal year

Travel:

Statewide local technical assistance, 30 days annually, for training and outreach with local governments and half with overnight lodging.

FY24-FY25: \$5,409 each fiscal year

Equipment:

Standard workstations for new team members and a replacement computer on the agency's five-year lifecycle replacement schedule.

FY24: \$15,000

FY28: \$7,200

Intra-Agency Reimbursements:

FY24: \$196,876

FY25: \$203,539

FY26-FY29: \$179,470 each fiscal year

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

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Total Costs:

FY24: \$1,233,391

FY25: \$895,341

FY26-FY27: \$780,691 each fiscal year

FY28: \$787,891

FY29: \$780,691

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	1,233,391	895,341	2,128,732	1,561,382	1,568,582
Total \$			1,233,391	895,341	2,128,732	1,561,382	1,568,582

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29	
FTE Staff Years	5.9	5.9	5.9	5.3	5.3	
A-Salaries and Wages	446,475	459,869	906,344	809,136	809,136	
B-Employee Benefits	151,931	158,790	310,721	281,866	281,866	
C-Professional Service Contracts	350,000		350,000			
E-Goods and Other Services	67,700	67,734	135,434	111,440	111,440	
G-Travel	5,409	5,409	10,818			
J-Capital Outlays	15,000		15,000		7,200	
M-Inter Agency/Fund Transfers						
N-Grants, Benefits & Client Services						
P-Debt Service						
S-Interagency Reimbursements						
T-Intra-Agency Reimbursements	196,876	203,539	400,415	358,940	358,940	
9-						
Total \$		1,233,391	895,341	2,128,732	1,561,382	1,568,582

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	0.9	0.9	0.9	0.8	0.8
Commerce Specialist 3	82,056	2.6	2.6	2.6	2.6	2.6
Commerce Specialist 4	86,212	1.1	1.1	1.1	1.1	1.1
IT APP Development - Senior/Specialist	120,457	0.3	0.3	0.3	0.3	0.3
IT Business Analyst - Expert	126,485	0.5	0.5	0.5	0.3	0.3
Management Analyst 4	86,212	0.3	0.3	0.3		
Total FTEs		5.9	5.9	5.9	5.3	5.3

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

Part V: New Rule Making Required

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

This bill requires rulemaking activities, amending chapter 365-196 WAC.

- Sections 1-6, 8, and 10 contain revisions to the GMA that would require updated technical assistance and guidance for cities through rulemaking.
- Section 5 directs the department to develop a process for approval of alternative local actions.
- Section 6 directs the department to develop a process for certifying extensions of implementation requirements based on anti-displacement analysis.
- Section 8 directs the department to establish by rule and standards or procedures necessary to implement extension requests based on infrastructure deficiencies.

Individual State Agency Fiscal Note

Bill Number: 5190 S SB	Title: Middle housing	Agency: 105-Office of Financial Management
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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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/09/2023
Agency Preparation: Keith Thunstedt	Phone: 360-810-1271	Date: 02/14/2023
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/14/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/15/2023

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 3 defines city population thresholds related to the bill will be based on OFM population estimates.

Section 4 exempts middle housing units from the threshold of an OFM population projection to a county or a county population allocation to a city.

These actions can be completed within existing staffing and resources. There is no fiscal impact to OFM.

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

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

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: 5190 S SB	Title: Middle housing	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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/09/2023
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 02/14/2023
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 02/14/2023
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.

No changes to impacts from previous version of this bill.

Section 1. Legislative intent to allow more housing options affordable to various income levels in areas already served by urban infrastructure in order to reduce pressure to develop natural and working lands and support key strategies for climate change, food security, and Puget Sound recovery, hopefully saving taxpayer and ratepayers money.

Section 2. Adds a number of definitions, including “administrative design review,” with changes to this definition that create more certainty of the public process. Other definitions include “cottage housing,” “courtyard apartments,” “middle housing,” and “townhouses.” The definition of “major transit stops” is amended with the substitute bill. A “community amenity” definition is added.

Section 3. Any planning city must develop by ordinance and incorporate into its development regulations, zoning regulations, and other official controls, authorization for specific higher density zoning with additional high density residential zones within one half mile of major transit stops or community amenities and affordable housing. Affordable housing must be maintained as affordable for at least 50 years. The requirement that anti-displacement measures be adopted as part of the city’s mandatory housing element is removed from this section. The requirement of objective development and design standards is simplified. The limitations on parking do not apply if supported by empirical evidence and best practices. Compliance with this section 6 months after the next comprehensive plan update or 12 months after reaching the population threshold.

Section 4. Permitted middle housing unit populations are exempt from the threshold of an office of financial management population projection to a county or a county population allocation to a city.

Section 5. Mandates the Department of Commerce (Commerce) to provide technical assistance to the cities and counties to assist in implementation of Section 3 of the bill. Time frames for implementation are established. In any city subject to Section 3 that fails to act in the time frame provided in the bill, the model ordinance can be imposed until the city acts. Gives Commerce authority to approve alternative local action to meet Section 3 requirements. In doing so, Commerce must favor plans and regulations that authorize an overall increase in density throughout the city in units allowed per single-family lot that is at least 75 percent of the overall single-family density throughout the city in units allowed per lot, if the specific provisions of this act were adopted.

Section 6. Local governments subject to the requirements of section 3 may apply for and the department may certify, an extension for areas at risk of displacement under certain standards.

Section 7. The Growth Management Hearings Board (GMHB) may hear only petitions alleging the Commerce’s final decision to approve or reject actions by a city implementing Section 3 of this act is erroneous.

Section 8. Allows cities to apply for certain extensions to their implementation time. (2) is amended to limit the application for extension under this section only to specific areas where a city can demonstrate that water, sewer or stormwaters services lack capacity to accommodate the density required in section 3 of this act and the city has met certain requirements.

Section 9. Actions taken under Section 5(3)(b) (regarding Commerce’s approval of alternative local action) are not subject to administrative or judicial appeals under this chapter.

Section 10. Development regulations that are consistent with and implement this act and RCW 35A.21.439 or 35.21.683

shall be deemed in compliance with the requirements of RCW 36.70A(2)d.

Section 11. After the effective date of this act, a city cannot actively or effectively prohibit the construction, development, or use of additional housing units as required in Section 3 of this act.

Section 12. Private associations of apartment owners cannot actively or effectively prohibit the construction, development, or use of additional housing units as required in Section 3 of this act.

Section 13. Governing documents of associations within cities subject to the requirement of Section 3 that are created after the effective date of this section may not actively or effectively prohibit the construction, development, or use of additional housing units as required in Section 3 of this act.

Section 14. Declarations and governing documents of a common interest community within cities subject to the middle housing requirements, created after this act, may not actively or effectively prohibit the construction, development, or use of additional housing units as required in Section 3 of this act.

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 to GMHB: Yes

ELUHO estimates 6 GMHB petitions per year resulting from this bill. We assume that cities may challenge the approval or rejection of the Department of Commerce.

ELUHO assumes ELUHO's work on these appeals begins in FY 25, following the planning other work needed by cities and counties in order to implement.

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).

Assume no capital budget impact: Currently, ELUHO leases space on the top floor of the State Parks building, Parsons Plaza. We assume we can repurpose space to include the FTE if they have a workstation at the ELUHO office. We assume the 0.25 Hearing Examiner FTE would be offered the option of working remotely.

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.