

Multiple Agency Fiscal Note Summary

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

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

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
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
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			9,639,149			869,250			
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			9,639,149			869,250			

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
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 3/ 8/2023
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Individual State Agency Fiscal Note

Bill Number: 5466 S SB	Title: Transit-oriented development	Agency: 090-Office of State Treasurer
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

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: Brandon Popovac	Phone: 360-786-7465	Date: 02/24/2023
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 02/25/2023
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 02/25/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/27/2023

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.

SSB 5466 creates the transit-oriented development housing partnership account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.79A.040(4).

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.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Changes to the earnings credited to the general fund impacts, by an equal amount, general state revenues.

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: 5466 S 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: Brandon Popovac	Phone: 360-786-7465	Date: 02/24/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/28/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/28/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 03/01/2023

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.

Differences between the substitute bill and the original bill:

The substitute bill would not change the department's assumptions or expected cost impacts.

- Section 3 is modified to place restrictions on the amount of grant funds Washington Department of Transportation (WSDOT) may award, based on the criteria in Section 3(a).
- Section 5 modifies the new definition proposed for "major transit station" and "station area" in the Growth Management Act (GMA). Section
- Section 6 requiring cities planning under GMA to coordinate with federally recognized tribes by the time of the next periodic update in RCW 36.70A.130, related to developments of transit-oriented development.
- Section 7(7)(a) is modified to authorize grant funding, subject to availability, from the transportation budget to the Planning and Environmental Review Fund (PERF).

Summary of the substitute bill:

This bill impacts Department of Commerce (department) by amending Title 36.70A RCW, amending the PERF fund to add a transit-oriented development implementation grant program. It also requires the department to consult with 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.

Sections 5-6 amends RCW 36.70A and add new provision to the growth management act (GMA), outlining new definitions and adding new local government planning requirements for transit-oriented development.

Section 7 amends RCW 36.70A.500 requiring the department to establish a new competitive grant program, subject to availability of funds appropriated from the transportation budget to 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 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 S 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: Brandon Popovac	Phone: 360-786-7465	Date: 02/24/2023
Agency Preparation: Cheryl Steben	Phone: 360-705-7919	Date: 02/28/2023
Agency Approval: Brian Lagerberg	Phone: 360-705-7878	Date: 02/28/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 03/06/2023

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	96,000	2.0	2.0	2.0	2.0	2.0
Transportation Planning Specialist 5	106,000	3.0	3.0	3.0	3.0	3.0
WMS 3	138,000	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.

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 S 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	\$138	1.0	1.0	1.0	1.0	1.0	1.0
Transportation Planning Specialist 5	\$106	3.0	3.0	3.0	3.0	3.0	3.0
Transportation Planning Specialist 4	\$96	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	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
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	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
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	Phone: 360-705-7919	Date: 2/27/2023
Approval: Brian Lagerberg, Director	Phone: 360-705-7878	Date: 2/28/2023
Budget Manager: Chad Johnson	Phone: 360-259-3886	Date: 2/27/2023

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.

(No Change in 5466 S SB) 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.

(Unsubstantial Changes in 5466 S SB) 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.

(No Change in 5466 S SB) 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.

(Unsubstantial changes in 5466 S SB) Section 5 – defines terms used throughout the bill.

(Unsubstantial changes in 5466 S SB) Section 6 – discusses requirements for city planning within a station area that would prohibit the siting of multifamily residential housing on parcels where any other residential use is permissible.

(Unsubstantial changes in 5466 S SB) 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.

Expenditure assumptions unchanged in 5466 S SB.

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.

Individual State Agency Fiscal Note

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.

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 S 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: Brandon Popovac	Phone: 360-786-7465	Date: 02/24/2023
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 03/01/2023
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 03/01/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/01/2023

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.

No change to anticipated impacts from previous version of the bill.

Amendments to Section 3 limit the funds available in comparison to the original bill.

Section 5. (19) Amends the definitions of “major transit stop” to include “major transit station,” stop on a high capacity transit route or route that runs on high occupancy vehicle lanes, or fixed route transit stop. Frequency of service standards are also established. (30) “Station area” definition is amended allowing more local flexibility, with consultation with the DOT. (31) “Station hub” definition is amended allowing more local flexibility, with consultation with the DOT.

It is undetermined whether these changes would increase or decrease petitions before the Growth Management Hearings Board (GMHB).

Section 6.(2) is amended adding “permanent supportive housing” to the following: “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 percent for affordable housing for households with incomes at or below 60 percent area median income, for permanent supportive housing, or for long-term inpatient care as defined in RCW 71.24.025.” Subsection (6) is deleted, removing city requirements to adopt local antidisplacement measures as a portion of the city’s mandatory housing element. Subsection (9) is added to require city compliance with the requirements of this section and consultation with federally recognized tribes by its next periodic comprehensive plan update.

The new requirement for consultation with federally recognized tribes may result in challenges to local governments. However, it is undetermined whether there will be an increase or decrease in petitions before the GMHB.

Section 7. is amended to place the grant funding for this bill, subject to availability of funds from the omnibus transportation appropriations 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.

No change to anticipated impacts from previous version of the bill.

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 S 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: 50 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	6,360,112	3,279,037	9,639,149	869,250	
TOTAL \$	6,360,112	3,279,037	9,639,149	869,250	
GRAND TOTAL \$					10,508,399

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: 03/03/2023
Leg. Committee Contact: Brandon Popovac	Phone: 360-786-7465	Date: 02/24/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/03/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 03/08/2023

Part IV: Analysis

A. SUMMARY OF BILL

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

CHANGES IN THE SUBSTITUTE VERSION OF THIS LEGISLATION

Sec. 5 amends the definition of major transit stop, station area, and station hub.

Sec. 6 removes the antidisplacement planning within station areas provision of the prior bill. Subsection 9 of this section requires fulling planning cities to comply with the requirements of this section, and to collaborate with federally recognized tribes as per RCW 36.70A.080(8), by the time of the city's next periodic comprehensive plan update.

Sec. 7 amends the funding provisions of the Growth Management Planning and Environmental Review fund subject to amounts appropriated through the Omnibus Transportation Appropriations Act.

SUMMARY OF CURRENT BILL:

For cities fully planning under the Growth Management Act (GMA) this substitute legislation would establish new transit-oriented development (TOD) development and zoning requirements that would increase residential density near major transit areas and hubs.

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 impose 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.

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.

CHANGES TO EXPENDITURE IMPACT FROM THE PRIOR BILL:

Amendments in the substitute version of this bill reduces the number of impacted cities to 50 from 91 through the removal of ferries terminals and bus service routes providing an increased frequency in the number of buses available per hour. This analysis involved a review of major transit stops and stations included in the Department of Transportation (WSDOT) study on Frequent Transit Service (2022), HB 2020 (2022), and assessment from the Association of Washington Cities (AWC). Additionally, the provision for conducting antidisplacement analysis prior to the implementation of new ordinances has been removed from the current version of this bill. The reduction in the number of applicable cities and the removal of the antidisplacement provision from the prior bill decreases the expenses of this bill by \$8.1 million over four fiscal years.

IMPACT OF THE CURRENT BILL:

The proposed substitute legislation would have both determinate and indeterminate impacts on cities that fully plan under the provisions of the Growth Management Act (GMA) that have major transit stops and major transit stations within their urban growth areas.

For expenses that can be estimated at this time, there would be costs of approximately \$10.5 million (\$3,850,000 for new

zoning ordinances and development regulations + \$250,000 for new zoning maps and documents + \$6,408,400 in comprehensive plan amendments + \$150,000 in ordinance adoption costs for new State Environmental Policy Act (SEPA) categorical exemption for infill development near transit). The costs for new zoning ordinances and development regulations, zoning maps, and ordinances for SEPA infill exemptions would be distributed, due to the provision of Sec. 6(9), and would start FY24 and continue until the cohort of jurisdictions that update their comprehensive plans in June 2026 occurs.

There would be additional indeterminate costs for cities adopting SEPA categorical exemption for infill development near transit. For illustrative expenses that can be estimated at this time, there may be approximately \$162,300 in additional SEPA categorical infill development costs. These expenses would likely be incurred by all impacted cities 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:

\$3,850,000— Costs that can be estimated at this time would exceed \$3.9 million for 50 cities with starting costs of \$77,000 per city to amend local code through a variety new ordinances including zoning, development regulations, and permitting. Additional indeterminate analysis costs may be included to determinate the accurate walking distance from a major transit station or stop, which would vary by impacted city and the number of station hubs and areas within the urban growth area.

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. Assessment from AWC and review of similar mass transit definitions in HB 2020 (2022) and WSDOT's 2022 Frequent Transit Study Initial Report, there are least 65 fully planning cities that meet the definition of transit station areas and transit station hubs that this bill would effect.

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 rations are compatible with the definitions in Sec. 5(32).

Additionally, WSDOT's 2022 study on transit service frequency determined that accurately and precisely calculating half-mile walking routes was not practical due to inadequate statewide data on the presence, functionality, and condition of walkways (i.e., sidewalks, trails, crosswalks, and other facilities primarily for people of all ages and abilities using active transportation). For the purposes of this fiscal note, analysis of which parcels within a three-quarter or one-quarter mile range of a station area or station hub, respectively, would need to be conducted at the local level for cities that have identified major transit stops and stations. Analysis costs to determine which parcels were inside of the respective buffers for station areas and stations hubs would add additional complexity to this bill. This would indeterminately increase costs for cities with more station areas and stations hubs to determine the accurate walking distance, and thereby the number of affected parcels, near each major transit stop or station.

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, but would likely exceed, 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 through the grants detailed in Sec. 3 and Sec. 7.

50 fully planning cities x \$77,000 = \$3,850,000

The provisions of Sec. 6(4) establish that the floor area ratios of subsection 3 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. Some jurisdictions may elect not to bring their codes into conformity with the requirements of this legislation prior to the applicable deadline specified in Sec. 6(9). 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

\$250,000 – 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.

AWC has estimated that 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. These costs would be incurred concurrently with the updated zoning and development regulation ordinances.

50 cities x \$5,000 = \$250,000

Amended Comprehensive Plan Elements

\$6,408,400 – The estimated costs for jurisdictions impacted by this bill to incorporate the increased density near transit ordinances may exceed \$6.4 million. Subsection 9 of Section 6 specifies that a city must adopt the requirements of the section by the time of its next periodic comprehensive update, with the first cohort of jurisdictions with periodic review and revision of their comprehensive plans due December 31, 2024. Increasing residential density near transit would result in changes to the existing housing and capital facilities planning that a city has conducted, which would require amendments to comprehensive plan elements.

Amending comprehensive plan elements would have costs ranging from approximately \$32,000 to 108,000 per element for the 65 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 within the city, the internal capacity to perform the element amendments within the city's 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: $\$108,250 \times 2 = \$216,500$

2 small cities
2 x \$64,950 = \$129,900

38 medium cities
38 x \$108,250 = \$4,114,500

10 large cities,
10 x \$216,500 = \$2,165,000

Total element update costs: \$6,408,400

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 where the spending for the jurisdictions with comprehensive plans due on December 31, 2024, and June 30, 2025, occur concurrently, starting in FY24:

FY2024: \$3,859,113
FY2025: \$2,008,038
FY2026: \$541,250
FY2027: \$0
FY2028: \$0
FY2029: \$0
Total: \$6,408,400

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.

IMPACT OF SEC. 9

Costs to Amend Code for SEPA Categorical Exemption:

Costs may start at \$150,000 – There are 50 cities that fully 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

jurisdiction adopted the provisions of Sec. 9 the costs may be approximately \$150,000. 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: $50 \times \$3,000 = \$150,000$

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: $25 \times \$3,000 = \$75,000$

Cities adopting more expense SEPA categorical exemption: $25 \times \$9,492 = \$237,300$

Illustrative Estimate Total: \$312,300

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.

CHANGES TO REVENUE IMPACT FROM THE PRIOR BILL:

The amendments to the substitute version of this bill do not change the prior revenue impact.

IMPACT OF THE CURRENT BILL:

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

Department of Commerce, FN S HB 2343 (2020)

Department of Commerce, FN HB 2020 (2022)

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

Department of Transportation, Park and Ride Locations

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

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, 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)

Puget Sound Regional Council

Puget Sound Regional Council, Transit-Oriented Development

Senate Bill Analysis, SB 5466 (2023)

Sound Transit, Link Light Rail

Sound Transit, Sounder Train Station

Washington State Association of Counties