

Multiple Agency Fiscal Note Summary

Bill Number: 2113 HB	Title: GMA housing element
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	4.7	1,573,459	1,573,459	1,573,459	8.5	2,470,818	2,470,818	2,470,818	8.5	2,485,218	2,485,218	2,485,218
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	4.7	1,573,459	1,573,459	1,573,459	8.5	2,470,818	2,470,818	2,470,818	8.5	2,485,218	2,485,218	2,485,218

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			1,440,000			1,020,000			
Local Gov. Total			1,440,000			1,020,000			

Estimated Capital Budget Expenditures

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

Estimated Capital Budget Breakout

Prepared by: Cheri Keller, OFM	Phone: (360) 584-2207	Date Published: Final 1/15/2024
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Individual State Agency Fiscal Note

Bill Number: 2113 HB	Title: GMA housing element	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	0.1	9.2	4.7	8.5	8.5
Account					
General Fund-State 001-1	90,073	1,483,386	1,573,459	2,470,818	2,485,218
Total \$	90,073	1,483,386	1,573,459	2,470,818	2,485,218

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: Audrey Vasek	Phone: 360-786-7383	Date: 01/09/2024
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 01/15/2024
Agency Approval: Pouth Ing	Phone: 360-725-2715	Date: 01/15/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/15/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 creates a new section under the growth management act (GMA), RCW 36.70A, requiring that counties and cities required to plan under the GMA must submit housing element and related housing development regulations to the Department of Commerce (department) for determination of housing element compliance. The department must issue a final decision determining compliance with Section 5 of this legislation. Section 1 further outlines in detail the application and compliance review process to be administered by the department. The department is authorized to adopt rules to implement Section 1.

Section 5 amends RCW 36.70A.130, to permit the adoption or amendment of a housing element and any related development regulation more than once per year, under the procedures outlined in Section 1 of this legislation. Section 5 also amends the language determining county and city eligibility for specific state grants and loans, by demonstrating substantial progress toward compliance with deadlines for completing the housing element and any related development regulations, subject to Section 1 of this legislation. Section 5 further outlines that a city or county is in compliance with the periodic update deadlines if it received housing element and related development regulations approval (under Section 1 of this legislation), within 6 month after the next compliance deadline under RCW 36.70A.130(5).

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.

Agency Assumptions:

Sections 1 and 5 - Local Government Division

Section 1 will create a significantly new compliance review and approval program for the department, related to review of statewide comprehensive plan county and city housing elements and any related development regulations. The department assumes immediate administrative work in FY24 to initiative the hiring process for new staff, including to begin legal review, guidance and rulemaking development for the review of submitted housing elements and associated development regulations.

Section 1(1) - Compliance Program Development and Operation:

- The department assumes that it will require multiple new staff with housing and land use planning expertise to review and issue final decisions on compliance of submitted housing elements and any related development regulations for fully planning counties and cities, estimated to be 246 fully planning counties and cities and towns within those counties, beginning FY25 and ongoing.

Section 1(2) – Notices Tracking and Management

- The department assumes it will need IS support to update its plan review tracking database and establish a new publication system to promptly publish county and city 120-day notifications of intent to apply for a determination of housing element compliance. The department further assumes additional data and records management for relevant state agency

consultation, correspondence and advising with counties and cities.

- There are 246 fully planning jurisdictions in Washington state (counties and cities). The department assumes if every jurisdiction were to submit their comprehensive plan and regulations together, it would receive on average 62 plans/regulations per year to review. However, with the requirement for jurisdictions to comply with HB 1337 and HB 1110 (2023) six months after the periodic update, there is a high likelihood that some development regulations will come in separately from comprehensive plans. In addition, each plan/regulation will be reviewed twice – one for draft review and one for final approval.

- Additionally, the department assumes approximately 80 plans / regulations per year, understanding that some regulations will not be submitted with comprehensive plans. We expect that a planner would be able to review and track approximately 2 new plans/ regulations per month and track past ones, with the understanding that each of those plans will come in again for final approval. One planner could review up to 24 plans per year. Therefore, approximately four housing planners are needed for this work.

Section 1(3)-(4) – Compliance Decisions and Publications:

- The department assumes it will require additional administrative staff for records management of applications submitted for determination of housing element compliance, management of the application packets outlined in Section 1(3). For purposes of this fiscal note, the department assumes under Section 1(4) that it will strive for and meet the 180 day period from receipt of an application to issue a final decision determining compliance for the housing element and related development regulations. The department further assumes recordkeeping and tracking development for the written final decisions and publication of final decisions in the Washington State Register (Section 1(4)).

Section 1(5) – Developing Objective Standards:

- The department assumes in FY24-FY25, within six months of the effective date of this legislation, it will require rulemaking and assistant attorney general (AAG) involvement to develop and publish a defined set of minimum objective standards that jurisdictions must meet for compliance. Additional guidance for internal review and compliance work will also need to be developed.

Section 1(7) – Publication of Compliance List:

- The department assume additional tracking and records management will be required, it assumes these publication costs and database upgrades will be included in the additional staff and development costs outlines in Sections 1(3)-(4) above.

Section 1(6) - Appeals Costs:

- The department assumes it will require additional AAG costs for potential appeals of final decisions to the growth management hearings board, this will increasing administrative and staff review time and tracking cases. The number of potential department final decisions is unknown. For purposes of this fiscal note, the department will assume 10% of final decisions may be appealed annually, or 6 appeals annually.

Section 1(8) – Certification of Empirical Studies:

- The department assumes additional rulemaking will be required, including staff time, research and development of affordable housing and public health and safety data, and AAG costs for developing guidance to assist cities and counties with developing an empirical studies and department certification.

Section 1(9) – Rulemaking:

- The department assume significant rulemaking will be required as outlined above including staff and AAG costs for housing element compliance program development, procedures for notice, application and final decisions issues by the department, appeals procedures, and certification of empirical studies, under Section 1 of this legislation, as outlined above.

Section 5:

- The department assumes additional rulemaking will be required to update it's guidance for the periodic update and additional compliance progress added to RCW 36.70A.130. It's assumed this additional rulemaking will be a component of the new rulemaking identified in Section 1(9) above.

1.0 FTE Commerce Specialist 5 (2,088 hours) in FY25-FY29, to lead communication about the housing accountability actions; develop submission checklists to support clear expectations of department review; supervise and assign submissions, review the items quickly, and assign them to housing section planners for review; train housing section planners in the review of housing elements and regulations; develop guidance to assist cities and counties with empirical study requirements to deny affordable housing development applications based on public health and safety concerns; and oversee rulemaking and technical assistance requests with the new statute. This position would also be the lead staff responsible for supporting any appeals.

4.0 FTE Commerce Specialist 3 (8,352 hours) in FY25-FY29, to review draft housing elements and zoning regulations, draft comments, and work with regional planners and transmit comments; review adopted housing elements and zoning regulations, and issue approval of housing element and regulations, writing findings and a decision, in coordination with regional planners; provide technical assistance to jurisdictions as they update housing elements and regulations; support development of rulemaking; support development of a module to track applications and final decisions on compliance of plans and regulations; and help develop presentation and communication materials and present to jurisdictions about requirements as needed.

1.0 FTE Commerce Specialist 2 (2,088 hours) in FY25-FY29, to track as housing elements and regulations are submitted, post them on a commerce web site, and complete the notice on the Washington State Register; publish local government housing element compliance list; track submissions dates and notify jurisdictions; track where we are with providing comments and complying with review windows required by the statute; and support presentations, materials, workshops, and administrative rulemaking.

0.3 FTE Administrative Assistant 3 (626 hours) in FY25-FY29, to provide necessary administrative support, including communication and publication support, records management, and support appeals and program correspondence.

0.10 FTE Management Analyst 4 (209 hours) in FY24 and 0.20 FTE (420 hours) in FY25 to assist rulemaking development, AAG coordination, outreach and engagement, and leadership for signification agency actions.

Salaries and Benefits:

FY24: \$11,936

FY25 \$743,604

FY26-FY29: \$719,473 per fiscal year

Professional Services Contract:

The department resources in FY24 and FY25 to contract for facilitation of outreach and engagement for rulemaking and to meet covered agencies responsibilities for this significant agency action. This includes approximately 90 hours at \$200 per billable hour in FY24 and 60 hours in FY25, with additional contracts for translation support, as needed in FY25, estimated to be \$1,725 per document per English alternative language.

FY24: \$18,000

FY25: \$43,050

Goods and Services:

The department assumes Assistant Attorney General consultation for guidance and rulemaking development for the new program of \$5,250 in FY24 based on an estimate of 25 hours at \$210 per hour, and \$10,500 in FY25, will be required to complete rulemaking, based on an estimate of 50 hours at \$210 per hour. Ongoing legal services in FY26-FY29, based on AAG estimates, for department representation, legal advice related to department final decisions and representation of appeals to the Growth Management Hearings Board are estimated to be 70 hours AAG consultation and \$14,700 annually.

FY24: \$6,210

FY25: \$82,812

FY26-FY29: \$85,892 per fiscal year

Travel Costs:

Includes outreach to communities across the state to provide technical assistance for the housing element compliance program. Annual travel will consist of 10 days of outreach and engagement, with half of them requiring lodging due to outreach and engagement to Eastern Washington, which includes additional travel in support of community consultation during the rulemaking and program development process.

FY25: \$5,093

FY26-FY29: \$2,475 per fiscal year

Equipment:

Includes new standard workstation for each new staff member, and replacement computers based on the department's standard replacement lifecycle.

FY25: \$30,000

FY29: \$14,40

Intra-agency Reimbursements:

FY24: \$3,927

FY25: \$244,646

FY26-FY29: \$236,707 per 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. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Local Government Division Costs:

FY24: \$40,073

FY25: \$1,149,205

FY26-FY28: \$1,043,747 per fiscal year

FY29: \$1,058,147

Section 1(2) – Notices Tracking and Management - Information Services Impacts

- The department assumes it will need IS support to update its plan review tracking database and establish and new publication system to promptly publish county and city 120-day notifications of intent to apply for a determination of housing element compliance. The department further assumes additional data and records management for relevant state agency consultation, correspondence and advising with counties and cities.

- There are 246 fully planning jurisdictions in Washington state (counties and cities). The department assume if every jurisdiction were to submit their comprehensive plan and regulations together, it would receive on average 62 plans/regulations per year to review. However, with the requirement for jurisdictions to comply with HB 1337 and HB 1110 (2023) six months after the periodic update, there is a high likelihood that some development regulations will come in separately from comprehensive plans. In addition, each plan/regulation will be reviewed twice – one for draft review and one for final approval.

- Additionally, the department assumes approximately 80 plans / regulations per year, understanding that some regulations will not be submitted with comprehensive plans. We expect that a planner would be able to review and track approximately 2 new plans/ regulations per month and track past ones, with the understanding that each of those plans will come in again for final approval. So one planner could review up to 24 plans per year. Therefore, approximately four housing planners are needed for this work.

- 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 three IT staff to upgrade and maintain the planning data system to implement new requirements.

0.5 FTE IT Business Analyst Expert 3 (1,044 hours) in FY25, and 0.3 FTE (626 hours) in 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.

0.5 FTE IT Application Developer 5 (1,044 hours) in FY25, and 0.3 FTE (626 hours) in FY26-FY29, for system maintenance for upgrades to the data and program tracking database.

0.3 FTE IT Customer Support Journey (ITCS-2) (626 hours) in FY25-FY29, for security, user management, data backups, system/server configuration and management.

Salaries and Benefits:

FY25: \$204,368

FY26-FY29: \$137,670 per fiscal year

Professional Services Contract:

IS consultant contract for data system upgrades in FY24-FY25, each fiscal year:

FY24: \$50,000

FY25: \$50,000

Goods and Services:

FY25: \$12,576

FY26-FY29: \$8,699 per fiscal year

Intra-agency reimbursements:

FY25: \$67,237

FY26-FY29: \$45,293 per fiscal year

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Total Information Services Costs:

FY24: \$50,000

FY25: \$334,181

FY26-FY29: \$191,662 per 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. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs:

FY24: \$90,073

FY25: \$1,483,386

FY26-FY28: \$1,235,409 per fiscal year

FY29: \$1,249,809

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	90,073	1,483,386	1,573,459	2,470,818	2,485,218
Total \$			90,073	1,483,386	1,573,459	2,470,818	2,485,218

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	9.2	4.7	8.5	8.5
A-Salaries and Wages	8,879	698,342	707,221	1,259,204	1,259,204
B-Employee Benefits	3,057	249,630	252,687	455,082	455,082
C-Professional Service Contracts	68,000	93,050	161,050		
E-Goods and Other Services	6,210	95,388	101,598	187,582	187,582
G-Travel		5,093	5,093	4,950	4,950
J-Capital Outlays		30,000	30,000		14,400
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	3,927	311,883	315,810	564,000	564,000
9-					
Total \$	90,073	1,483,386	1,573,459	2,470,818	2,485,218

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	54,199		0.3	0.2	0.3	0.3
Administrative Services - Indirect	111,168	0.0	1.4	0.7	1.3	1.3
Commerce Specialist 2	72,924		1.0	0.5	1.0	1.0
Commerce Specialist 3	84,518		4.0	2.0	4.0	4.0
Commerce Specialist 5	98,040		1.0	0.5	1.0	1.0
IT APP Development - Manager	136,751		0.5	0.3	0.3	0.3
IT Business Analyst - Senior/Specialist	118,149		0.5	0.3	0.3	0.3
IT Customer Support - Journey	92,787		0.3	0.2	0.3	0.3
Management Analyst 4	88,794	0.1	0.2	0.2		
Total FTEs		0.1	9.2	4.7	8.5	8.5

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.

Amend Chapter 365-196 WAC, modifying existing guidance and likely created a new section for implementation and guidance outlined in this legislation.

Individual State Agency Fiscal Note

Bill Number: 2113 HB	Title: GMA housing element	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:

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: Audrey Vasek	Phone: 360-786-7383	Date: 01/09/2024
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 01/12/2024
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 01/12/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/14/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1: would require counties or cities planning under the Growth Management Act (GMA) to submit their housing elements and related regulations to the department for a determination of compliance in particular with affordable housing. The department would determine compliance based on housing planning goals and requirements, and rules adopted by the department. Appeals would be to the Growth Management Hearings Board (GMHB).

Sections 1-4 enacts the above.

Section 5 provides for an on-going department review of compliance. Further, under this statute, grant preferences may only be given to those cities and counties found by the department to be in compliance.

The GMHB anticipates that any petitions as a result of this bill could be absorbed.

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.

None

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

None

Part V: New Rule Making Required

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2113 HB

Title: GMA housing element

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

Legislation Impacts:

- Cities: Cities that fully plan under the Growth Management Act would have additional requirements to approve the housing element and associated development regulations of their comprehensive plan. Costs may start at \$10,000 per city, or approximately \$2.18 million over three fiscal years.
- Counties: Same as above. Costs may start at \$10,000 per county, or approximately \$280,000 over three fiscal years.
- Special Districts:
- Specific jurisdictions only: Jurisdictions that fully plan under the Growth Management Act.
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs: Costs to prepare the housing element application.
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: Number of fully planning jurisdictions that would need to revise their housing element or supporting development regulations.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Jurisdiction	FY 2024	FY 2025	2023-25	2025-27	2027-29
City		1,300,000	1,300,000	880,000	
County		140,000	140,000	140,000	
TOTAL \$		1,440,000	1,440,000	1,020,000	
GRAND TOTAL \$					2,460,000

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 01/15/2024
Leg. Committee Contact: Audrey Vasek	Phone: 360-786-7383	Date: 01/09/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/15/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/15/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

This legislation would require local governments that fully plan under the Growth Management Act to undergo a more rigorous process to ensure that the housing element, and corresponding development regulations, comply with state laws and regulations. Authorizes the Department of Commerce (Commerce) with new obligations to determine that every housing element is in compliance with the goals and policies of the GMA as well as the State Environmental Policy Act. Prohibits a city or county planning under the GMA from denying an affordable housing development unless the city or county has received a final determination of housing element compliance from Commerce, or certain other conditions are met.

Cities and counties that are not in compliance or that demonstrate substantial progress towards the compliance schedules may not qualify for receive grants, loans, pledges, or financial guarantees from the Public Works Board or the Water Pollution Control Facilities grant and loan program.

Sec. 1 is a new section added to 36.70A. It requires counties and cities planning under 36.70A.040 to submit their housing elements and related development regulations to Commerce for compliance determination.

Sec. 2 redefines the scope of issues that the Growth Management Hearings Board can hear and decide upon, which now includes final decisions on housing element compliance.

Sec. 3 amends 36.70A.290 to establish specific timelines for local governments regarding appeals and decisions on housing elements, which impacts how and when local governments can challenge or proceed with housing plans.

Sec. 4 specifies that housing elements and their associated development regulations take effect only through the process established in Sec. 1(1).

Sec. 5 amends RCW 36.70A.130 so that a jurisdiction's housing element and related development regulations may be amended more frequently than once per year. Cities and counties that are in compliance or that demonstrate substantial progress towards the compliance schedules in this section are the only counties that qualify to receive grants, loans, pledges, or financial guarantees under chapter 43.155 or 70A.135 RCW. Housing elements may be approved six months after the deadline of a jurisdiction's next periodic comprehensive plan update and still remain in compliance with the deadlines established by subsection 5.

Sec. 6 amends RCW 43.21C.495 to limit the scope of appeals against local government actions in certain development and housing-related matters.

Sec. 7 is the bill's title - "Housing Accountability Act."

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

B. SUMMARY OF EXPENDITURE IMPACTS

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

This legislation would require all jurisdictions that fully plan under the Growth Management Act to submit its housing element and related development regulations to the Department of Commerce (Commerce). For expenses that can be estimated at this time, there would be costs greater than \$2.46 million over three fiscal years, starting in FY25. These costs include preparation of the housing element, adopting ordinance, legislative action, and documenting the meeting actions of the element and supporting development regulations.

The application process found in Sec. 1 would be substantially similar to the voluntary review process found in HB 1181 (2023) for the greenhouse gas emissions reduction subelement. This process involves preparation of the proposed comprehensive plan element, a copy of the legislative authority's public record where action was taken on the proposed element, cover letter requesting determination from Commerce, and a statement from the legislative authority explaining how the element and the development regulations comply with all applicable regulations.

Jurisdictions that were surveyed with respect to HB 1181 (2023) indicated that the costs may start at \$10,000 per jurisdiction to prepare an element for review to be approved by Commerce. The work would involve the following application requirements, at minimum: drafting informational materials on reasons for, and approach to, the revised development regulations and housing element; conducting outreach to inform and solicit feedback from the community, developers, and other interested parties; drafting the resolution or ordinance for the jurisdiction's planning commission considerations; a planning commission public hearing and recommendation to the legislative authority; a presentation of the planning commission's recommendations to the city council or the board of county commissioners; and a legislative authority public hearing and action.

The public action taken at these hearings would be recorded and combined in the application. Additionally, the council staff or the planning department would draft the cover letter and statement explaining applicability and compliance with state laws.

218 cities x \$10,000 = \$2,180,000

28 counties x \$10,000 = \$280,000

Estimated starting costs: (\$2,180,000 + \$280,000) = \$2,460,000

Estimated starting costs by state fiscal year:

Combined

FY2024: \$0

FY2025: \$1,440,000

FY2026: \$630,000

FY2027: \$390,000

FY2028: \$0

FY2029: \$0

Total: \$2,460,000

City

FY2024: \$0

FY2025: \$1,300,000

FY2026: \$550,000

FY2027: \$330,000

FY2028: \$0

FY2029: \$0

Total: \$2,180,000

County

FY2024: \$0

FY2025: \$140,000

FY2026: \$80,000

FY2027: \$60,000
FY2028: \$0
FY2029: \$0
Total: \$280,000

These costs do not include additional work to support the planning council and legislative authority that would be necessary in the event of rejection of the housing element or any development regulations necessary to support the housing element. Additionally, there would be costs for approval through the legislative authority to correct any rejected items, that would increase costs.

If the jurisdiction would require appeal to the Growth Management Hearings Board, the costs of this legislation could be significant for those jurisdictions that find a need for appeal. Those costs are indeterminate and would depend on a variety of factors that cannot be known in advance.

C. SUMMARY OF REVENUE IMPACTS

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

This legislation is not anticipated to impact revenue of jurisdictions that fully plan under the Growth Management Act.

Jurisdictions that have their housing element or supporting development regulations rejected by the Department of Commerce may become ineligible for grants and loans from the Public Works Board and Water Pollution Control Facilities programs if they do not meet the approval deadline within six months of their comprehensive plan submission deadline. The number of cities and counties that would become ineligible for financing from these programs cannot be known in advance.

SOURCES:

Department of Commerce
House Bill Report, HB 2113 (2024)
Local Government Fiscal Note Program, FN E2S HB 1099 AMS WM S5164.1 (2022)
Local Government Fiscal Note Program, FN HB 1181 (2023)