Multiple Agency Fiscal Note Summary

Bill Number: 2160 E 2S HB	**Title:** Housing development

Estimated Cash Receipts

NONE

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

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Joint Legislative Audit and Review Committee	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of the Governor	.3	363,000	363,000	363,000	.0	0	0	0	.0	0	0	0
Department of Commerce	1.3	608,902	608,902	608,902	2.9	1,034,134	1,034,134	1,034,134	2.9	906,534	906,534	906,534
Housing Finance Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
University of Washington	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Transportation	.0	0	0	0	.0	0	0	0	.0	0	0	0
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**1.6**	**971,902**	**971,902**	**971,902**	**2.9**	**1,034,134**	**1,034,134**	**1,034,134**	**2.9**	**906,534**	**906,534**	**906,534**

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			149,000			448,000			3,665,000
Local Gov. Other	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Local Gov. Total			149,000			448,000			3,665,000

Estimated Capital Budget Expenditures

FNPID 71333

FNS029 Multi Agency rollup

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Joint Legislative Audit and Review Committee	.0	0	0	.0	0	0	.0	0	0
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Housing Finance Commission	.0	0	0	.0	0	0	.0	0	0
University of Washington	.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

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

Prepared by: Myra Baldini, OFM	**Phone:** (360) 688-8208	**Date Published:** Final 3/ 4/2024

Individual State Agency Fiscal Note

Bill Number: 2160 E 2S HB	Title: Housing development	Agency: 014-Joint Legislative Audit and Review Committee

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:	Karen Epps	Phone: 360-786-7424	Date: 02/14/2024
Agency Preparation:	Aaron Cavin	Phone: 360-786-5194	Date: 02/16/2024
Agency Approval:	Eric Thomas	Phone: 360 786-5182	Date: 02/16/2024
OFM Review:	Gaius Horton	Phone: (360) 819-3112	Date: 02/16/2024

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.

Engrossed Second Substitute 2160 establishes that cities planning under the Growth Management Act (GMA) may not enact or enforce any new development regulation within a station area that prohibits the siting of multifamily residential housing on parcels where other residential use is permissible and must allow new residential and mixed-use development within any station area at certain transit-oriented development densities. It also requires at least 10 percent of all residential units in buildings constructed within a station area be maintained as affordable housing for at least 50 years except under certain conditions.

Sec. 5 creates a JLARC study in RCW 44.28, with a report due June 30, 2035. JLARC must review jurisdictions' experiences with the effects of the 10 percent affordable housing requirement, in-lieu payment for affordable housing requirements, and requirements for transit-oriented development density around fixed route transit stops providing frequent bus service. JLARC must conduct case studies that consider the following factors:
• The effects on housing supply, including the supply of affordable housing.
• The implementation of transit-oriented development density regulations.
• How statewide transit-oriented development density regulations are interacting with residential housing construction and development in specific cities.

In conducting its evaluation, JLARC must consult with representatives from certain entities, including Commerce, Washington State Housing Finance Commission, University of Washington's Runstad Department of Real Estate, cities, regional transportation planning organizations, and transit agencies serving areas that include cities with station areas, and affordable housing advocacy organizations and for-profit and nonprofit housing development industry working in cities with station areas.

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.

The engrossed second substitute bill directs JLARC to review jurisdictions' experiences with certain requirements of the bill and conduct case studies of its implementation and effects in certain cities, with a report due June 30, 2035. To meet that timeline, JLARC staff will present a preliminary report in January 2035 and a proposed final in May 2035. JLARC staff will begin the evaluation in June 2033. JLARC staff will consult with the entities listed in section 5.

JLARC staff anticipate that it will be necessary to hire a contractor to assist with conducting the case studies required in Sec. 5. JLARC staff anticipate hiring a contractor in September 2033.

Because this work will take place outside of the fiscal period, costs associated with the review are not included in this fiscal note. JLARC staff anticipate future costs for the review and for hiring a contractor.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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
Research Analyst	131,064					
Support staff	110,856					
Total FTEs						0.0

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: 2160 E 2S HB	**Title:** Housing development	**Agency:** 075-Office of the Governor

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	0.5	0.3	0.0	0.0
Account					
General Fund-State 001-1	0	363,000	363,000	0	0
Total $	0	363,000	363,000	0	0

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Karen Epps	Phone: 360-786-7424	Date: 02/14/2024
Agency Preparation:	Kathy Cody	Phone: (360) 480-7237	Date: 03/04/2024
Agency Approval:	Jamie Langford	Phone: (360) 870-7766	Date: 03/04/2024
OFM Review:	Val Terre	Phone: (360) 280-3073	Date: 03/04/2024

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 3 (20) requires the Governor to convene a work group by August 1, 2024, to develop a list of anti-displacement guiding principles and strategies.

The work group must be comprised by a representative from or with:
• Impacted cities, which includes representation form a city that doesn't have extensive staffing or resources.
• Impacted tenants.
• Ethnic or cultural associations.
• Organization advocating for affordable housing.
• Association representing tenants.
• Experience developing affordable housing.
• Organization advocating for non-profit builders of affordable housing.
• Development industry association.
• Experience developing or implementing anti-displacement strategies.

By September 30, 2025, the work group must submit a report of its findings to the Department of Commerce that includes:
• Development definitions for displacement and gentrification.
• Develop a list of recommended anti-displacement strategies.
• Identify potential costs and funding sources to implement the strategies.

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 Governor's Office assumes the work group will meet at least monthly but could have other meetings as deemed necessary.

• A portion of the meetings (at least four (4) will be in-person and located strategically around the state.

The Governor's Office assumes to convene a work group will have the following fiscal impacts:

Facility rentals, meals/refreshments, and member travel costs at $10,000 per location for a total of $40,000.

Facilitation contract for meetings and to help compile and write the report due September 30, 2025, at $250,000.

The Governor's Office will require 0.5 of an administrative assistant at $49,000 for prorated salaries and benefits to coordinate with external stakeholder groups and ensure space and necessary accommodations are available.

Goods and services: Based on average employee costs, the Office requests ongoing funding for supplies and materials, communications and telecommunications services, lease space, training, software licensing and maintenance at $2,000 per year, per FTE.

Travel: Based on average employee travel in FY 2019, the Office requests ongoing funding for travel associated with this position at $2,000 per year, per FTE.

Capital Outlays: The Office requests one-time funding for purchasing equipment for working remotely at $5,000 per FTE.

Shared Service Costs: The Office of Financial Management provides administrative support for the Office of Financial Management, Office of the Governor, and Office of Independent Investigations. These services include IT support, budget and accounting services, facilities support, and human resource assistance. To fund these shared services, each budgeted FTE is assessed an ongoing cost of $30,000 and 0.22 of an FTE. Based on the average salary for those providing these services, we estimate the cost for a new FTE at $15,000 per year including salary, benefits, equipment, and support costs. This amount is prorated based on FTE amount.

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	363,000	363,000	0	0
		Total $	0	363,000	363,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.5	0.3		
A-Salaries and Wages		35,000	35,000		
B-Employee Benefits		14,000	14,000		
C-Professional Service Contracts		250,000	250,000		
E-Goods and Other Services		42,000	42,000		
G-Travel		2,000	2,000		
J-Capital Outlays		5,000	5,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		15,000	15,000		
9-					
Total $	0	363,000	363,000	0	0

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Assistant	70,000		0.5	0.3		
Total FTEs			0.5	0.3		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Revised

Bill Number: 2160 E 2S HB	Title: Housing development	Agency: 103-Department of Commerce

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	2.6	1.3	2.9	2.9
Account					
General Fund-State 001-1	0	608,902	608,902	1,034,134	906,534
Total $	0	608,902	608,902	1,034,134	906,534

Estimated Capital Budget Impact:

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

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:

[X] 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).

[X] Capital budget impact, complete Part IV.

[X] Requires new rule making, complete Part V.

Legislative Contact:	Karen Epps	Phone: 360-786-7424	Date: 02/14/2024
Agency Preparation:	Buck Lucas	Phone: 360-725-3180	Date: 02/28/2024
Agency Approval:	Pouth Ing	Phone: 360-725-2715	Date: 02/28/2024
OFM Review:	Myra Baldini	Phone: (360) 688-8208	Date: 02/29/2024

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.

Differences between E2SHB 2160 and HB 2160:

• A new Section 4 is added, that is subject to appropriation and requires the Department of Commerce (department) to establish and administer a capital grant program to assist cities in providing the infrastructure necessary to accommodate development at transit-oriented densities within station areas, including water, sewer, stormwater, and transportation infrastructure and parks and recreation facilities.

• Provisions are removed that permit cities to apply to the department for planning grants, and consult with the department for the purpose of receiving technical assistance and compliance review with development regulations adoption, under RCW 36.70A.500(7).

• Provisions are removed that amend RCW 36.70A.500, and add criteria for PERF grants and loans awarded by the department, including preferences for plans that implement or comply with antidisplacement policies or plans that address infrastructure need in station areas and to facilitate transit-oriented development.

• Provisions are removed that require the department to consult with Washington State Department of Transportation to prioritize grant applications for transit-oriented development.

The engrossed second substitute decreases FY24 costs, and decreases year two costs.

Summary of E2SHB 2160:

Section 2 amends RCW 36.70A.030, adding new definitions to the growth management act (GMA), including definitions for “floor area ratio” and “station area”.

Section 3 adds a new section to RCW 36.70A, prohibiting fully planning cities from enacting or enforcing development regulations within a station area that would prohibit siting multi-family residential housing on lots where any other residential use is permitted. Additional provisions require department implementation and outline criteria for local governments:

Section 3 (2)(b) requires a fully planning city under the GMA to consult with, and receive approval from, the department prior to adopting a modification to a station area designation

Section 3 (4) requires the department to develop guidance to convert different types of planning measurements to the transit-oriented development density requirements and applicable floor area ratios.

Section 3 (16) requires deadlines for cities to comply with this section, depending upon their specific periodic update schedule, under RCW 36.70A.130(5), and the dates for the implementation progress reports, or no later than six months following completion of the periodic update.

Section 3 (17) requires the department to publish a model transit-oriented development ordinance by June 30, 2026.

Section 3 (18) requires the department to certify a five-year extension requested by a city, from the transit-oriented development density requirements of this Section 3. This section further outlines the details of the extension process and department certification. The section further outlines that criteria for the department to re-certify the extension for an additional five years.

Section 3 (19) outlines a new program for the department to approve city plans and implementing development regulations, adopted by June 30, 2025, for specific station areas. Additional criteria for this process is outlines in this subsection. The department must establish standards and procedures by rule to implement this subsection. Any final decision by the department to approve or reject actions by cities under this subsection my be appealed to the Growth Management Hearings Board.

Section 3 (20) requires the governor to convene a work group to develop a report on antidisplacement strategies and costs, and provide this report to the department by September 30, 2025. The department, by October 15, 2025, must develop, and make available to cities, antidisplacement guiding principals and a list of potential strategies.

Section 4 adds a new section to RCW 36.70A, requiring the department, subject to appropriation, to establish and administer a new capital grant program to assist cities in providing the infrastructure necessary to accommodate development at transit-oriented development densities within station areas.

Section 5 adds a new section to RCW 44.28, requiring joint legislative audit and review committee (JLARC) to review local government experiences with provisions of this bill and provisions outlined in this section. JLARC must consult with department representatives.

Section 6 (3) amends RCW 36.70A, to include a new provisions outlining that the the new parking provisions of this section do not apply if a local government provides to the department an empirical study that clearly demonstrate safety issues, and the department must find and certify that parking limitations will be considerably less safe. The section further requires the department must provide guidance to assist cities and counties on items to include in this study.

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.

(A) Sections 2-6 - Program Development and Administration - Local Government Division

Assumptions:

• Sections 2-6: The department assumes start-up costs for this new program are funded through existing programs created by legislation enacted in the 2023 legislative session (HB 1110 and HB 1337), which includes guidance development.

• The department assumes rulemaking in FY25-FY26, with amendments to the growth management act (GMA), and new sections added to the GMA creating new certification programs. Rulemaking is necessary to implement the review and certification procedures for transit-oriented development (TOD) extensions based on displacement risk and exceptions for parking. This guidance and rulemaking development will require AAG consultation each year.

• Section 3 (2)(b): The department assumes it will need to develop new procedures and criteria for consultation with cities, and approval of modifications to station area designations.

• Sections 3 (19): The department assumes a review and certification requirement under the GMA, including development of guidance and procedures by rule under specified timelines in fiscal year 2025. This includes development and management with expertise in specific land use planning and transit-oriented development topics.

• The department assumes it will require additional AAG costs for potential appeals of final decisions on housing regulation compliance, and approval of housing elements, 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 5: The department assumes the joint legislative audit and review committee (JLARC) consultation will require new staff time already incorporated in the cost's assumption for implementation of this bill.

• Section 6: The department assumes additional staff resources to develop assistance and guidance for cities that will develop empirical studies to submit for certification, requiring additional staff expertise, rulemaking, and program development.

0.80 FTE Commerce Specialist 3 (1,600 hours) in FY25 and 1.0 FTE (2,008 hours) in FY26-FY29, to review, certify and confirm plans for extensions of areas at risk of displacement; and model ordinance development, which includes coordination with the professional consultant in FY25-FY26.

0.30 FTE Commerce Specialist 5 (626 hours) in FY25-FY29, to immediately establish a technical assistance transit-oriented development (TOD) program supervision, development of guidance and ongoing coordination of the antidisplacement and parking exceptions programs (Sections 4 and 7).

0.20 FTE Administrative Assistant 3 (418 hours) in FY25-FY29, to provide necessary administrative support, including communication and publication support, records management for the certifications, and program correspondence.

Salaries and Benefits:

FY25: $147,833
FY26-FY29: $170,945 per fiscal year

Professional Services Contracts:
The department assumes the need for significant resources in FY25 to contract for development of a model ordinance, and consultant work on guidance, outreach and engagement for rulemaking, and translation to meet covered agencies responsibilities for this significant agency action:

• In FY25-FY26, Section 4 will require a consultant with expertise to develop a model ordinance including TOD and certification program guidance development, at 800 hours, at a rate of $200 per hour, $160,000 in total, or $80,000 per fiscal year.
• In FY25, Section 4 will require a consultant in FY25 to provide professional expertise to assist cities with guidance measurements, and switching to "floor area ratios" at 125 hours with a billable rate of $200 per hour, $25,000 in total cost; and
• The department would require contracted support to translate program materials to meet covered agency responsibilities in the development of significant agency actions, rulemaking. We would translate materials in the community outreach and engagement process to ensure community access and awareness of this work. The cost to make up to 2 program documents, for antidisplacement and station area outreach, available in the nine most common English language alternatives in the state at an expected average cost of $1,725 per document is $31,050 ($1,725 x 2 x 9) in FY25.

FY25: $136,050
FY26: $80,000

Goods and Services:
Assistant Attorney General (AAG) costs of $10,500 in FY25, for 50 hours, to assist with rulemaking and required processes and documentation. 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.

FY25: $24,627
FY26-FY29: $30,744 per fiscal year

Travel Costs:
Includes outreach to communities across the state to provide technical assistance for the housing element compliance program, and to meet covered agency responsibilities for this signification agency action. 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 communities, which includes additional travel in support of community consultation during the rulemaking 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: $5,000
FY29: $2,400

Intra-agency Reimbursements:

FY25: $48,637
FY26: $56,241 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. Intra-agency-agency administration costs (e.g. payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Program Development and Administration - Local Government Division Costs:

FY25: $367,240
FY26: $340,405
FY27-FY28: $260,405 per fiscal year
FY29: $262,805

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Sections 2-6, Information Systems (IS) Costs:

Assumptions:

• Sections 3-5 and 6-8: Additional significant department IS work will be required to initially upgrade its internal planning data system for tracking submitted materials, FY24-FY25, and ongoing maintenance FY26-FY29, each fiscal year. The department assumes $50,000 a year for the first two years for immediate IS 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 for IS to upgrade and maintain the planning data system to implement new requirements in FY26-FY29.

0.30 FTE IT Business Analyst Expert 3 (626 hours) in FY25-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.

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

0.30 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-FY29: $137,670 per fiscal year

Professional Services Contract:
IS consultant contract for data system upgrades in FY25-FY26, each fiscal year:

FY25: $50,000
FY26: $50,000

Goods and Services:

FY25-FY29: $8,699 per fiscal year

Intra-agency reimbursements:

FY25-FY29: $45,293 per fiscal year

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Total Information Services Costs:

FY25-FY26: $241,662
FY27-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. Intra-agency-agency administration costs (e.g. payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs:

FY25: $608,902
FY26: $582,067
FY27-FY28: $452,067 per fiscal year
FY29: $454,467

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	608,902	608,902	1,034,134	906,534
		Total $	0	608,902	608,902	1,034,134	906,534

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		2.6	1.3	2.9	2.9
A-Salaries and Wages		212,172	212,172	458,152	458,152
B-Employee Benefits		73,331	73,331	159,078	159,078
C-Professional Service Contracts		186,050	186,050	130,000	
E-Goods and Other Services		33,326	33,326	78,886	78,886
G-Travel		5,093	5,093	4,950	4,950
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		93,930	93,930	203,068	203,068
9-					
Total $	0	608,902	608,902	1,034,134	906,534

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		0.2	0.1	0.2	0.2
Administrative Services - Indirect	111,168		0.4	0.2	0.5	0.5
Commerce Specialist 3	84,518		0.8	0.4	1.0	1.0
Commerce Specialist 5	98,040		0.3	0.2	0.3	0.3
IT APP Development - Manager	136,751		0.3	0.2	0.3	0.3
IT Business Analyst - Senior/Specialist	118,149		0.3	0.2	0.3	0.3
IT Customer Support - Journey	92,787		0.3	0.2	0.3	0.3
Total FTEs			2.6	1.3	2.9	2.9

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

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

IV. B - Expenditures by Object Or Purpose

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

IV. C - Capital Budget Breakout

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

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

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

NONE

Section 4: Capital Grant Program Administration – Local Government Division:

FOR ILLUSTRATIVE PURPOSES ONLY:

Agency assumptions:

• The impact on the capital budget is indeterminate with illustrative impacts provided below.
• The appropriation of capital grant funds is subject to appropriation from which the department assumes it would deduct up to 3% for administrative expenses. The level of an appropriation and corresponding grants awarded by the department are unknown, but for purposes of this fiscal note and based on the department's experience with similar grant programs, the department assumes between 20 and 80 contracts and the staff support to manage them.
• The department assumes ongoing community consultation and outreach costs to increase awareness of the proposed program and its impact on the communities where they live.

1.0 FTE Commerce Specialist 3 (2,088 hours) in FY25-FY29, each fiscal year, 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 FY25, to support update and development of the new technical guidance and grant program, consult with other departments, assist in the establishment of new 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.

0.1 FTE Administrative Assistant 3 (418 hours) FY25-FY29, each fiscal year to provide ongoing administrative assistance for the new grant program.

Salaries and Benefits:

FY25: $183,828
FY26-FY29: $123,500 per fiscal year

Goods and Services:
Attorney General Costs: $10,500 of AAG time in FY25, for 50 hours, to assist with establishment of new competitive grant program and required processes and documentation, which includes guidelines and contract boilerplate. AAG costs decrease to 20 hours annually thereafter.

FY25: $27,505
FY26-FY29: $16,407 per fiscal year

Professional Services Contracts:
The department would require contracted support to translate program materials to meet covered agency responsibilities in the development of significant agency actions, rulemaking. We would translate materials in the community outreach and engagement process to ensure community access and awareness of this work. The cost to make up to 2 program documents, for antidisplacement and station area outreach, available in the nine most common English language alternatives in the state at an expected average cost of $1,725 per document is $31,050 ($1,725 x 2 x 9) in FY25. This includes the costs to contract for facilitated community engagement for 125 hours at a billable rate of $200 per hour.

FY25: $56,050

Travel Costs:
Includes outreach in FY25 to communities across the state to meet covered agency responsibilities for this signification agency action, including to provide technical assistance and ongoing outreach FY26-FY29. 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 communities.

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: $5,000
FY29: $2,400

Intra-agency reimbursements:

FY25: $60,479
FY26-FY29: $40,632 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. Intra-agency-agency administration costs (e.g. payroll, HR, IT) are funded under a federally approved cost allocation plan.

==============================

Total Capital Grant Program Administration - Local Government Division Costs:

FY25: $337,955
FY26-FY28: $183,014 per fiscal year
FY25: $185,414

Part V: New Rule Making Required

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

Chapter 365-196 WAC, will require new rulemaking by the department for multiple sections.

Individual State Agency Fiscal Note

Bill Number: 2160 E 2S HB	**Title:** Housing development	**Agency:** 148-Housing Finance Commission

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:	Karen Epps	Phone: 360-786-7424	Date: 02/14/2024
Agency Preparation:	Daniel Page	Phone: 206-287-4476	Date: 02/16/2024
Agency Approval:	Lucas Loranger	Phone: 206-254-5368	Date: 02/16/2024
OFM Review:	Cheri Keller	Phone: (360) 584-2207	Date: 02/16/2024

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.

No Fiscal Impact: Because the Commission is a non-appropriated, non-allocated agency, all the costs associated with the contemplated legislation connected to the Commission will flow through the Commission's operating funds, therefore the Commission believes it has no fiscal impact on the state's budget.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 2160 E 2S HB	Title: Housing development	Agency: 360-University of Washington

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:	Karen Epps	Phone: 360-786-7424	Date: 02/14/2024
Agency Preparation:	Alexis Rinck	Phone: 2066858868	Date: 02/16/2024
Agency Approval:	Michael Lantz	Phone: 2065437466	Date: 02/16/2024
OFM Review:	Ramona Nabors	Phone: (360) 742-8948	Date: 02/19/2024

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.

Changes included in Engrossed Substitute House Bill 2190 do not alter the fiscal impact to the University of Washington. Therefore, we will be submitting the same analysis as before.

This bill focuses on enhancing community and transit-oriented housing development through creating a new division within the Department of Transportation to serve as a resource for jurisdictions and project proponents related to land use and processing development permit applications. While the bill primarily concerns planning and land use for cities, Section 5 adds a new section which describes a joint committee to review jurisdiction's transit-oriented development and housing efforts. The bill requires that this joint committee must consult with a variety of entities including "representatives of the University of Washington's Runstad department of real estate". This consultation can be covered by existing resources.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail:

FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 2160 E 2S HB	Title: Housing development	Agency: 405-Department of Transportation

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:	Karen Epps	Phone: 360-786-7424	Date: 02/14/2024
Agency Preparation:	Alon Bassok	Phone: 206-464-1271	Date: 02/21/2024
Agency Approval:	Karena Houser	Phone: 360-705-7876	Date: 02/21/2024
OFM Review:	Maria Thomas	Phone: (360) 229-4717	Date: 02/21/2024

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.

See attached 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

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: E2SHB 2160	**Title:** Promoting community and transit-oriented housing development	**Agency:** 405-Department of Transportation

Part I: Estimates

☒ No Fiscal Impact (Explain in section II. A)
☐ Indeterminate Cash Receipts Impact (Explain in section II. B)
☐ Partially Indeterminate Cash Receipts Impact (Explain in section II. B)
☐ Indeterminate Expenditure Impact (Explain in section II. C)
☐ Partially 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

Agency Assumptions

N/A

Agency Contacts:

Preparer: Alon Bassok	Phone: 206.356.1331	Date: 2/16/2024
Approval: Karena Houser	Phone: 360.705.7876	Date: 2/16/2024
Budget Manager: Stacey Halverstadt	Phone: 360.705.7544	Date: 2/16/2024

Part II: Narrative Explanation

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

Compared to the HB 2160 on which the department's last fiscal note was written, the differences in E2SHB 2160 are described below:

- Adds affordable housing definition.
- Removes requirement to have a liaison. (Makes sense since we are already hiring that position).
- Further clarifies station area definition with respect to bus rapid transit to make it clear that it has to be similar service to rail.
- Additional clarification on multifamily regulations--e.g., tree canopy, affordability, etc.
- Defines deadlines for Commerce to publish TOD model ordinance by June 2026.
- Removes Commerce requirements for Environmental Review Fund.

- Clarifies Floor Area Ratio definition.

- Clarifies station areas with respect to distance to and type of rail and bus rapid transit service type.
- Creates a new capital grant program administered by Commerce to assist cities in providing the infrastructure needed to support TOD.
- Clarifies growth management planning and environmental review funds may be used to comply with anti-displacement policies, infrastructure plans for station areas, SEPA work, and technical assistance.
- Addresses how to prioritize grant funding.
- Clarifies parking requirements.

Section 2 (page 2, line 9) requires WSDOT to add a position to serve as a liaison on land use and permitting decisions.

Section 6 (8) (page 20, line 34) WSDOT must assist Commerce in prioritizing transit-oriented development related grant applications.

II. B – Cash Receipts Impact

N/A

II. C - Expenditures

Compared to the HB 2160 on which the department's last fiscal note was written, the differences described below in E2SHB 2160 do not change the fiscal impact to the WSDOT:

- Adds affordable housing definition.
- Removes requirement to have a liaison. (Makes sense since we are already hiring that position).
- Further clarifies station area definition with respect to bus rapid transit to make it clear that it has to be similar service to rail.
- Additional clarification on multifamily regulations--e.g., tree canopy, affordability, etc.
- Defines deadlines for Commerce to publish TOD model ordinance by June 2026.
- Removes Commerce requirements for Environmental Review Fund.
- Clarifies Floor Area Ratio definition.
- Clarifies station areas with respect to distance to and type of rail and bus rapid transit service type.
- Creates a new capital grant program administered by Commerce to assist cities in providing the infrastructure needed to support TOD.
- Clarifies growth management planning and environmental review funds may be used to comply with anti-displacement policies, infrastructure plans for station areas, SEPA work, and technical assistance.
- Addresses how to prioritize grant funding.
- Clarifies parking requirements.

Section 2 (page 2, line 9) requires WSDOT to add a position to serve as a liaison on land use and permitting decisions. WSDOT is already recruiting for this position with funding from a 2023-25 transportation budget proviso, which is ongoing. There is no need for additional funding beyond the current enacted budget.

Section 6 (8) (page 20, line 34) WSDOT must assist Commerce in prioritizing transit-oriented development related grant applications. The land use team in multimodal planning is already doing this task and will continue. No additional staff or funding is necessary to continue this work.

Individual State Agency Fiscal Note

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

N/A

Part IV: Capital Budget Impact

N/A

Part V: New Rule Making Required

N/A

Individual State Agency Fiscal Note

Bill Number: 2160 E 2S HB	**Title:** Housing development	**Agency:** 468-Environmental and Land Use Hearings Office

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:	Karen Epps	Phone: 360-786-7424	Date: 02/14/2024
Agency Preparation:	Dominga Soliz	Phone: 3606649173	Date: 02/16/2024
Agency Approval:	Dominga Soliz	Phone: 3606649173	Date: 02/16/2024
OFM Review:	Lisa Borkowski	Phone: (360) 742-2239	Date: 02/21/2024

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.

This bill emphasizes the need for land use policies that align with state investments in transit infrastructure. It aims to ensure housing development keeps pace with transportation progress and investments.

Section 2 adds certain definitions related to this legislation. (18) The definition of floor area ratio is amended, including the definition of developable property. (42) Station area definition is amended.

Section 3 establishes regulations in the urban environment focusing on transit-oriented development and transportation stations by prohibiting cities from enacting regulations that would prevent the construction of multifamily residential housing in areas where other residential uses are allowed and establishing other criteria related to promoting affordable housing. (2)(a) Floor area ratios are tied to walking distances from bus rapid transit stops with other definitions amended. (3)(b) Amends definition of stop. (5)(b) Affordable housing definition is amended. (9) Sets forth circumstances in which a city has authority to grant exemptions within a station area where certain affordability requirements are met. (10) Enacted incentive programs may continue under certain conditions. (11)(b) The city may apply any objective development regulations within a station area that are required for other multifamily residential uses in the same zone, including tree canopy and retention requirements. (15) Any additional residential capacity required by this section may not be considered an inconsistency with the countywide planning policies, multicounty planning policies, or growth targets adopted under RCW 36.70A.210. (17)(b) If a city subject to this section fails to adopt official controls by the deadlines, they are subject to the model ordinances developed by the department, until they take action to comply. (18) Sets parameters by which cities may seek an extension from transit-oriented development density requirements of this section.

NEW SECTION Sec. 4. Directs the department to establish and administer, funding permitted, a capital grant program.

Section 5 establishes a joint committee to review various aspects of affordable housing requirements, in-lieu payment options, and transit-oriented development density regulations. The committee will analyze the impacts on housing supply, particularly affordable housing, implementation of transit-oriented development regulations, and how these regulations interact with residential housing construction in different cities. The evaluation will involve consultation with multiple entities, including state departments, housing finance organizations, academic institutions, transit agencies, housing development industries, and cities from different regions. The committee is tasked with completing this review and evaluation by June 30, 2035.

Section 6 addresses parking requirements within designated station areas to encourage transit-oriented development.

Section 7 promotes infill and creates a categorical exemption from certain requirements of SEPA.

Section 8, 9, 10, and 11, broadly prohibit new homeowners' association (HOA's) governing documents from blocking the construction of multifamily housing or transit-oriented development mandated by city regulations (Section 4 of the act). And it prevents new HOA, condominium, or apartments from enacting conflicting parking rules or regulations.

The Growth Management Hearings Board (GMHB) anticipates a small number of appeals as a result of this bill, however, we expect the GMHB can absorb any impacts.

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: 2160 E 2S HB	**Title:** Housing development

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

Legislation Impacts:

- [X] Cities: New costs to adopt transit-oriented zoning and development regulations, associated planning analysis, new zoning maps and outreach documents, updated comprehensive plan elements, and ordinance for categorical exemptions from the State Environmental Policy Act for infill development in station areas. Costs for cities would likely start at approximately $150,00 for cities under 10,000 residents and potentially exceed $300,000 for cities with more than 100,000 residents.
- [ ] Counties:
- [ ] Special Districts:
- [X] Specific jurisdictions only: There are 37 cities that fully plan under the Growth Management Act and contain a station area.
- [ ] Variance occurs due to:

Part II: Estimates

- [ ] No fiscal impacts.
- [X] Expenditures represent one-time costs: Ordinance adoption and analysis costs
- [X] Legislation provides local option: Applying for grants specified in this act; applying for approved local action from the Departmen of Commerce.
- [X] Key variables cannot be estimated with certainty at this time: Number of cities that would implement complex ordinance to adopt th infill development categorical exemptions, grant allocations for the specific purposes 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		149,000	149,000	448,000	3,665,000
TOTAL $		149,000	149,000	448,000	3,665,000
GRAND TOTAL $					**4,262,000**

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

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 02/22/2024
Leg. Committee Contact: Karen Epps	Phone: 360-786-7424	Date: 02/14/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/22/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/23/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

This fiscal note reflects language found in the second engrossed substitute version of HB 2160, 2024 legislative session.

CHANGES BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:
Sec. 2 of the original bill has been removed, which would have created a new division or expanded an existing one within the Department of Transportation with responsibilities involving land use decisions and processing development permit applications.

Sec. 3 of the original bill is now Sec. 2. The definitions of “floor area ratio” and “station area” are amended.

Sec. 4 of the original bill is now Sec. 3, which makes various amendments compared to the original version of this act. These changes include using the revised definition in Sec. 2 as they apply to the transit-oriented densities, floor area ratio density bonuses for affordable housing in station areas, the applicability of affordable housing incentive programs enacted prior to January 1, 2024, that trigger public benefits within station areas, and the applicability of the transit-oriented density on lots where single-family detached houses are allowed and meet critical aquifer recharge requirements. This section sets a new implementation timelines for cities depending on their requirements to conduct implementation progress reports or comprehensive plan updates under RCW 36.70A.130. Additionally, a model ordinance must be created by the Department of Commerce by June 30, 2026, and cities that do not implement transit-oriented density ordinance by the dates established in this section would have the model ordinance override local development regulations in all qualifying station areas.

Sec. 4 of this act would be a new section added to 36.70A RCW which would establish a capital infrastructure grant program within Commerce to help cities provide transit-oriented development densities in station area designations.

Sec. 6 and Sec. 7 of the original bill have been removed. Now Sec. 6 is a new section added to 36.70A RCW with the language for off-street parking, parking requirements for those with disabilities as well as affordable housing found in Sec. 7 of original act.

Sec. 7 of this act is would modify the new State Environmental Policy Act (SEPA) categorical exemption for infill development found in Sec. 8 of the original bill.

Sec. 8 through 12 are the prohibitions for homeowner declarations found in the original bill and corrected to reflect the section order of this engrossed second substitute act.

SUMMARY OF CURRENT BILL VERSION:
This legislation aims to promote transit-oriented housing development by focusing increased residential and mixed-use densities within one-half mile or less walking distances to rail systems and bus rapid transit lines. The bill enhances the technical and capital assistance that is available to local governments from the Department of Commerce, as well as promotes beneficial use of the state’s transportation investments.

Sec. 2 amends the definitions of the Growth Management Act to include a definition of “floor area ratio” (FAR) that excludes public facilities and potions of critical areas and buffers. The definition allows for development in areas where single family residential structures can be built over critical aquifer recharge areas, subject to any requirements to maintain the aquifer recharge. Sec. 2 of this act also amends the meaning of “station area” such that lots that are fully within an urban growth area and fully or partially within one-half mile walking distance of a light, commuter, or fixed guideway rail stop, or one-quarter mile walking distance from a bus rapid transit stop, would meet the requirements of a station area.

Sec. 3 requires all cities that fully plan under the GMA to update their development regulations, comprehensive plans, and other official controls so that new residential and mixed-use development within any station area would have a 3.5 FAR within one-half mile walking distance of a stop on a light, commuter, or fixed guideway rail system; and 2.5 FAR if within one-quarter mile walking distance of a bus rapid transit line stop as described in a six-year transportation improvement plan with fixed transit assets.

Sec. 3(10) allows affordable housing incentive programs that were in existence prior to January 1, 2024, to continue operating within station areas if a program requires public benefits in return for additional development allowances, and these benefits would be triggered by the additional development capacity authorized by this section.

Sec. 3(15) allows any additional residential capacity created by the transit-oriented density provisions to be exempt from a city's growth targets under countywide planning policies, if applicable.

Sec. 3(16) amends the implementation of this section for impacted cities. Cities with comprehensive plan updates due on December 31, 2024, must comply with this section by the earlier of either December 31, 2029, or upon submission of their first implementation progress report. All other affected cities must comply within six months of submitting their updated comprehensive plan. Cities with new or newly funded transit stops must comply as soon as their next implementation progress report or comprehensive plan update.

Sec. 3(17) establishes that Commerce must publish a model transit-oriented development ordinance by June 30, 2026. For any city that is required to adopt development regulations for transit-oriented densities but does not implement them through ordinance or other official controls by the deadlines specified in Sec. 3(16), the model ordinance would override any conflicting local development regulations until the city can implement its own ordinance.

Sec. 3(18) amends the antidisplacement analysis provision of the original act to include an optional five-year extension from the requirements of this section depending on the completion of certain conditions such as an antidisplacement map, an implementation plan that identifies risks and policy mediation.

Sec. 3(19) authorizes the Department of Commerce to approve of substantially similar development regulations within specific station areas that are adopted by cities by June 30, 2025.

Sec. 3(20) representatives of cities would be included in a work group to explore antidisplacement principal and strategies. The Department of Commerce would be required to develop antidisplacement guiding principles and a list of potential strategies that cities could use that stem from the work group created by this subsection.

Sec. 4 of this act would be a new section added to 36.70A RCW which would establish a capital infrastructure grant program within Commerce to help cities provide transit-oriented development densities in station area designations.

Sec. 6 would be a new section added to 36.70A RCW which adds that cities fully planning under the GMA may not require off-street parking as a condition of permitting residential or mixed-use development within a station area. Exceptions would be granted for parking for those living with disabilities, creating unsafe conditions for drivers, pedestrians, or cyclists, and a one-mile radius around Sea-Tac airport. A lack of parking to comply with this section may not be treated as a basis for issuing a determination of significance under SEPA.

Sec. 7 would establish a new SEPA categorical exemption for infill development to facilitate the deployment of sustainable transit oriented development. Infill development consisting of multifamily residential, mixed-use, or commercial develop in station areas, which are consistent with Sec. 3, would be included in the SEPA categorical exemption for infill development.

Sec. 8 through 12 would prohibit new governing documents of homeowners' associations, common interest communities, and condominium associations from restricting the construction or development of multifamily housing or transit-oriented development density, if such an organization is partially or fully within a station area. These declarations must also not require off-street parking requirements that conflict with Sec. 6 of this act.

This act would take effect 90 days after the adjournment of the session in which it 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.

CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:
Section 2 of this act amends the definition of "station area," which would have the effect of expanding the number of applicable station areas compared to the prior bill because it no longer requires both conditions in Sec. 2(42)(b)(i) and (ii) to be satisfied. This definition change would not increase the number of impacted cities. There are 37 cities impacted by this act. For estimation purposes, the Local Government Fiscal Note program assumes flat costs of $82,000 for each impacted city to implement and adopt the transit-oriented development (TOD) ordinance.

An unknown number of cities may have substantially similar development regulations in specific station areas that could be approved as alternatives to the TOD ordinance under Sec. 3(19). However, whether a city would be exempted from all the requirements of Sec. 3 of this act cannot be known in advance. Therefore, all cities with qualifying station areas are included for estimation purposes.

An unknown number of cities may apply for the five-year extension authorized by Sec. 3(18) and these cities would have varying costs related to the completion of an antidisplacement map and an implementation plan that identifies risks and policy mediation for displacement. This work may begin after the conclusion of the governor's antidisplacement work group in Sec. 3(19) and the Department of Commerce's requirement to develop a list of guiding principles and potential strategies for antidisplacement by October 15, 2025. In assessment of the antidisplacement provision of HB 1110 (2023) the Association of Washington Cities estimated assessing displacement risks and planning for the alleviation of those risks may have costs starting at $40,000 per city. Some of this type of work is a component of Housing Action Plans, which support fully planning cities Housing Element that was overhauled by HB 1220 (2021).

Applying for the capital improvement grants authorized by Sec. 4 of this act would have minor costs for cities that take the local option. Expenses would include city staff time to present the grant to the planning commission and city council, drafting the applications, and grant administration and reporting requirement costs for successful applicants.

SUMMARY OF CURRENT BILL VERSION:
This legislation would have expenditure impacts for 37 cities with station areas as defined by Sec. 2. For costs that can be estimated at this time, there would be expends of approximately $7.9 million in new TOD zoning and development regulation ordinances, new zoning maps and outreach documents, comprehensive plan updates to account for new residential density and capital facilities demand, as well as ordinance adoption costs for new State Environmental Policy Act (SEPA) categorical exemption for infill development near station areas. $4.26 million of these costs would be incurred during the next six fiscal years, while the remaining $3.66 million would be incurred FY30.

Two of the fully planning cities, Vancouver and Spokane, would be required to incorporate the TOD densities in station areas into their development regulations, local plans, and other official controls six months after their next periodic comprehensive plan update. This would be in December 2025 and December 2026, respectively. The remaining 35 cities, located in King, Pierce, and Snohomish counties would be required to incorporate these TOD densities on or before the submission deadline of their implementation progress report in December 2029.

IMPACT OF SECTION 3:

City code and comprehensive plan amendment costs depend on the population size:
Review of the potential cost factors of this legislation by the Association of Washington Cities indicates: For the 9 cities with over 100,000 residents, each may pay nearly $300k ($216k for comprehensive plan updates and $82k for planning and implementing the station area development regulations); each of the 26 cities with populations between 10,000 and 100,000 residents could spend about $200k ($108k for plan updates and $82k for development regulations); and for each

of the 2 cities with less than 10,000 residents the expected costs is less than $150k ($65k for plan updates and $82k for development regulations).

Assumptions:
For estimation purposes, the Local Government Fiscal Note program assumes flat costs of $82,000 for each impacted city to implement and adopt the TOD ordinance.

Whether a city would be exempted from all the requirements of Sec. 3 of this act through the substantial similar development regulation criteria established by Sec. 3(19) cannot be known in advance. Therefore, all cities with qualifying station areas are included in calculations for estimation purposes.

The Local Government Fiscal Note program assumes that the planning and implementation process for affected cities would take at least one year, starting January 1st and ending December 31st of the year in which the new TOD regulations are due, in order to meet the Sec. 3(16) implementation timeline. This planning and adoption timeline is based on review the Evaluation of Planning Costs study (2023) and complex development regulation implementation found by the Department of Commerce as well as the Local Government Fiscal Note program's review of grants to support HB 1923 (2020).

This implementation process would span over two fiscal years with some of the costs falling outside of the six year fiscal outlook for this local government fiscal note. The result of these assumptions is that only $4.26 million of the estimated $7.92 million would be spent by impacted cities within the next six fiscal years.

Estimated Costs of the Act by State Fiscal Year:
FY2024: $0
FY2025: $149,000
FY2026: $299,000
FY2027: $149,000
FY2028: $0
FY2029: $3,665,000
Total: $4,262,000

The remaining half of the costs for the 35 impacted cities in King, Pierce, and Snohomish counties ($3,664,950) is assumed to be incurred in the first six months of FY2030.

Planning and Implementing Transit-Oriented Development Regulations:
Adopting TOD regulations would involve modifying the existing zoning designation and residential use for any residential lot within the walkshed of a qualifying station area and creating a new designation and use. According to the Association of Washington Cities (AWC), amending existing code generally carries 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, as well as any zoning overlays that currently exist within the qualifying stations areas in the city. Cities impacted by this bill would have to determine the applicable floor area ratios within the station area are consistent with the definitions of transit-oriented density in Sec. 3(2)(a).

In outreach to cities about this bill, some cities have planned to incorporate TOD development regulations that are consistent with this act for certain stops near light rail or commuter rails, but may not be sufficient to transit-oriented densities at all station areas with qualifying transit stops. It is therefore likely that even if a city has implemented higher density near transit into their local code, there would be costs to review, produce analysis for planning commissions and city councils, and determine the scope of potential changes to local code that need to be adopted in all impacted cities.

Sec. 3(19) may provide an alternative compliance pathway for some of these cities but the number that would ultimately qualify for approval by the Department of Commerce cannot be known in advance.

Therefore, the Local Government Fiscal Note program assumes that all cities with known stops that would qualify as station areas would be required to adopt the TOD development and zoning regulations. Costs for provisions in Sec. 3(2) include: analyzing comprehensive plan policies and municipal code to determine extent of amendments required; drafting informational materials on reasons for, and approach to, drafting transit-oriented density in station areas using floor area ratios (e.g. design regulations to ensure compatibility with existing) 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 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. Additionally, AWC estimates that the costs for cities to adopt new zoning maps and outreach documents may start at $5,000 per city and would include changes to printed documents and digitally accessible maps. These costs would be incurred concurrently with the adoption of the updated TOD zoning and development regulation ordinances.

Total estimated development regulations and map amendments:
37 cities x ($77,000 + $5,000) = $2,952,000
Initial costs for the implementation TOD ordinance are assumed to begin in the second half of FY25 for the City of Vancouver, and the second half of FY26 for the City of Spokane. Half of the costs for the other 35 impacted cities in King, Pierce, and Snohomish counties is assumed to be incurred during the second half of FY29, with the remaining half ($1,435,000) incurred at the beginning of FY30.

Estimated Costs of the TOD Regulations by State Fiscal Year:
FY2024: $0
FY2025: $41,000
FY2026: $82,000
FY2027: $41,000
FY2028: $0
FY2029: $1,435,000
Total: $1,599,000

The Local Government Fiscal Note program assumes that all applicable cities would adopt the TOD zoning and development regulations by the deadlines specified by Sec. 4(16). However, some jurisdictions may not to bring their codes into conformity with the requirements of this legislation prior to the applicable deadlines. In these jurisdictions, the model ordinance in Sec. 3(17) would automatically override local development regulations within station areas. It is unclear if these cities 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.

Comprehensive Plan Updates
The estimated costs for cities impacted by this bill to incorporate the increased density near station areas into appropriate comprehensive plan elements may exceed $2.4 million from FY24 to FY29, and $4.5 million in total by FY30.

Incorporating TOD regulations would result in changes to the existing housing capacity and capital facilities planning that city's would conduct during their next periodic comprehensive plan update, which would require cities to integrate these changes into their existing workload to meet the adoption deadline of this act. Section 4(14) specifies that a city must adopt the TOD zoning and development regulations six months after its next periodic comprehensive update or with their implementation progress reports in 2029. For Vancouver and Spokane, may be able to work on their periodic comprehensive plan update and the TOD regulations concurrently, which could create a cost saving.

Amending comprehensive plan elements would have costs ranging from approximately $32,000 to 108,000 per element for the 36 fully planning cities impacted by this act. These costs assume that the comprehensive plan element amendments are complex in scope depend on the intricacies of the update, the population size of the jurisdiction, the number of station areas, the internal capacity to perform the element updates within the planning department, and other factors. These costs would be experienced in all cities with station areas, as the assessed density within certain portions of the city's UGA have increased.

Estimates for the comprehensive plan element costs are derived from the complex element updates in 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. Costs may be higher in jurisdictions with a greater number qualifying major transit stops.

Two complex element amendments:
Small sized cities: $32,475 x 2 = $64,950
Medium sized cities: $54,125 x 2 = $10850
Large sized cities: $108,250 x 2 = $216,500

3 small cities:
3 x $64,950 = $194,850
,2
24 medium cities:
24 x $108,250 = $2,598,000

9 large cities:
9 x $216,500 = $1,948,500

Estimated comprehensive plan element update costs would be ($194,850 + $2,598,000 + $1,948,500) = $4,731,350, however, only $2,370,675 would be spent within the six year fiscal outlook.

Estimated costs by state fiscal year:
FY2024: $0
FY2025: $108,250
FY2026: $216,500
FY2027: $108,250
FY2028: $0
FY2029: $2,154,175
Total: $2,587,175

The remaining half of the costs for the 35 impacted cities in King, Pierce, and Snohomish counties ($2,154,175) is assumed to be incurred in the first six months of FY2030.

GRANTS AUTHORIZED BY SEC. 4

Local Option - Applying for the capital improvement grants authorized by Sec. 4 of this act would have minor costs for cities that take the local option. Expenses would include city staff time to present the grant to the planning commission and city council, drafting the applications, and grant administration and reporting requirement costs for successful applicants.

IMPACT OF SEC. 7
Costs to amend code for SEPA categorical exemption for infill development in station areas:
Costs may start at $111,000 – The 37 cities may have costs starting at $3,000 each to adopt new categorical infill exemptions for increased development in station areas. If these jurisdiction adopted the provisions of Sec. 7 by reference with a simple ordinance and hearing of the same complexity, the costs may be approximately $111,000.

Sec. 7 establishes a new SEPA categorical exemption for infill development to facilitate the deployment of sustainable transit oriented development. Many cities have adopted SEPA categorical exemptions by reference and incorporating the provisions of this act for residential infill development in station areas may carry minimal costs for these municipalities. However, some cities 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 that would choose one option or the other cannot be determined in advance.

The Local Government Fiscal Program Unit Cost Model estimates that the typical cost per city to adopt an ordinance with a hearing of the same complexity is approximately $3,000 for a simple ordinance and $9,500 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. The Local Government Fiscal Note Program assumes that adopting the SEPA categorical exemption by reference would have costs for a simple ordinance with a hearing of the same complexity, with the following estimated costs for all impacted cities:

All cities adopting the new SEPA categorical exemption by reference: 37 x $3,000 = $111,000

Illustrative example of amended local code for SEPA categorical exemption for infill development in station areas:
If half of the 37 cities (37/2 = 18.5, or approximately 19 cities) with station areas would have to amend their existing code to conform to the new SEPA categorical exemptions in a more substantive manner than by reference, the illustrative estimated costs would be:

Cities adopting SEPA categorical exemption by reference: 18 x $3,000 = $63,000
Cities adopting more expanse SEPA categorical exemption: 19 x $10,400 = $197,790
Illustrative estimate total would be approximately $309,000

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 IN REVENUE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:
The amendments to this act would not change the revenue impact associated with the prior act.

SUMMARY OF CURRENT BILL VERSION:
This legislation would impact city revenues through the availability of grant funding.

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 of these grants and the number of successful grantees cannot be known in advance.

SOURCES:
Association of Washington Cities
City of Tukwila, Transit-Oriented Development Housing Strategies Plan (2021)
Department of Commerce, FN S HB 2343 (2020)

Department of Commerce, FN HB 2020 (2022)
Department of Commerce, Evaluation of Planning Costs study (2023)
Department of Commerce, Transit-oriented Development Implementation Grants (2021)
Department of Transportation, Frequent Transit Service Study Initial Report (2022)
House Bill Analysis, HB 2160 (2024)
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, Unit Cost Model (2024)
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, COTHD Bill 2024
Senate Bill Report, E2S HB 2160 (2024)
Sound Transit, Link Light Rail
Sound Transit, Sounder Train Stations