

Multiple Agency Fiscal Note Summary

Bill Number: 1491 S HB	Title: Transit-oriented housing dev
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Estimated Cash Receipts

NONE

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	2.8	1,366,476	1,366,476	1,366,476	1.8	602,516	602,516	602,516	1.6	530,708	530,708	530,708
Department of Transportation	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	2.8	1,366,476	1,366,476	1,366,476	1.8	602,516	602,516	602,516	1.6	530,708	530,708	530,708

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	1.5	464,050	464,050	2.0	611,200	611,200	2.0	603,200	603,200
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
Total \$	1.5	464,050	464,050	2.0	611,200	611,200	2.0	603,200	603,200

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Agency Name	2025-27	2027-29	2029-31
	Total	Total	Total
Staff	464,050	611,200	603,200
Total \$	464,050	611,200	603,200

Prepared by: Marie Davis, OFM	Phone: (360) 890-1163	Date Published: Preliminary 2/23/2025
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Individual State Agency Fiscal Note

Bill Number: 1491 S HB	Title: Transit-oriented housing dev	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 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	2.6	3.0	2.8	1.8	1.6
Account					
General Fund-State 001-1	576,209	790,267	1,366,476	602,516	530,708
Total \$	576,209	790,267	1,366,476	602,516	530,708

Estimated Capital Budget Impact:

	2025-27		2027-29		2029-31	
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Pre-design/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	0	0	0	0	0
Staff	162,450	301,600	301,600	309,600	301,600	301,600
Other	0	0	0	0	0	0
Total \$	162,450	301,600	301,600	309,600	301,600	301,600

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: Jackie Kauble	Phone: 360-786-7125	Date: 02/17/2025
Agency Preparation: Jodi Barnes	Phone: (564) 669-0071	Date: 02/21/2025
Agency Approval: Jodi Barnes	Phone: (564) 669-0071	Date: 02/21/2025
OFM Review: Marie Davis	Phone: (360) 890-1163	Date: 02/23/2025

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 SHB 1491 and the original bill:

Section 2 clarifies the definitions of rail station areas, bus station areas, and station areas.

Section 3 removes the definition of stop, clarifies the definition of mixed-use development, and removes the requirements for cities concerning programs adopted under RCW 36.70A.540.

Section 3(8) exempts buildings constructed within station areas from affordable requirements in Section 8(a), exempts buildings from the requirements for affordable or workforce housing under Section 8(16)(b) and requires that the city identify the density and affordability requirements that apply to the building or parcel in its municipal code.

Section 3(9) requires cities to approve a Multifamily Property Tax Exemption (MFTE) in station areas that meet the mandatory affordability requirements and the requirements of the MFTE program.

Section 4 clarifies that the proposed grant program for the infrastructure supportive of transit-oriented development (TOD) may also cover station area planning or other pre-development costs necessary for the implementation of station area plans and staffing necessary to implement TOD plans.

Sections 11 through 18 are added and provide that the Department of Commerce (Department) would create a station area-specific MFTE specific to station areas. The Department is responsible for technical assistance, reporting, and auditing of the MFTE program.

SHB 1491 would reduce the overall fiscal impact to the Department.

Summary of SHB 1491:

Section 3 adds a new section to RCW 36.70A, the Growth Management Act (GMA), making new requirements for station areas and residential development within those areas. Modifications to these standards are only allowed after review and approval by the Department.

Section 3(4) requires the Department to develop guidance to convert different types of planning measurements to the TOD density requirements and applicable floor area ratios. This guidance would also include mandatory density bonus in exchange for affordability; units that are three bedroom or more do not count towards floor area ratio limits; and station area density averaging.

Section 3(8) creates mandatory inclusionary zoning for 10% at affordable housing (60% AMI rental, 80% AMI ownership) or 20% at workforce (80% AMI rental) housing for at least 50 years with some exceptions. This is a new comprehensive planning requirement that these exceptions must be listed in the comprehensive plan.

Section 3(9) provides that a city must approve an MFTE exemption for projects that meet the mandatory affordable housing 10% at affordable housing (60% AMI rental, 80% AMI ownership) or 20% at workforce (80% AMI rental) housing for 50 years under RCW 84.14.(1)(a)(ii)(D).

Section 3(17) requires the Department to publish a model TOD ordinance by June 30, 2027.

Section 3(18) allows cities to apply to the Department for a five-year extension to address areas at high risk of

displacement based on a city's anti-displacement analysis or anti-displacement map.

Section 3(19) provides that the Department may approve substantially similar actions if adopted by June 2026. Commerce must develop procedures and rules for the approval.

Section 4 adds a new section to RCW 36.70A and requires the Department, subject to appropriation, to administer a grant program for the infrastructure water, sewer, stormwater, transportation, and parks and recreation facilities needed to implement TOD requirements. Grants may also cover station area planning or other pre-development costs necessary for the implementation of station area plans and the staffing necessary to implement TOD plans.

Section 5 adds a new section to RCW 36.70A and requires the Department to accept empirical parking studies and determine if, for safety reasons, a city can deviate from the parking limitations in the bill.

Sections 11 through 18 create a new MFTE specific to station areas. The Department is responsible for technical assistance, reporting, and auditing of the MFTE program.

Section 11 amends RCW 84.14.010 and definitions for MFTE.

Section 11(3) clarifies that the MFTE is authorized for cities or towns with a station area.

Section 11(17) defines station area as the same as RCW 36.70A.030.

Section 12 amends RCW 84.14.020 and adds a new "station area MFTE" in part D, which provides a property tax exemption for 20 years if the property is located fully or partially with a station area and meets the affordability requirements in section 3(8)(a) of this act.

Section 13 amends RCW 84.14.030 to clarify that an MFTE project may be located in a residential targeted area or in a station area.

Section 14 amends RCW 84.15.060 to clarify applicability for affordability under MFTE or mandatory station area affordability requirements.

Section 15 amends RCW 84.15.090 to add the mandatory station area affordability requirements to the rules for issuing MFTE certificates.

Section 16 amends RCW 84.15.0100 to add TOD MFTE projects to those that must be submitted to the Department and subject to an audit.

Section 17 amends RCW 84.15.110 to add the mandatory station area affordability requirements to the rules for monitoring MFTE projects and assessing penalties.

Section 18 adds a new section to RCW 84.14 which requires a city with a station area to adopt standards and guidelines for and MFTE program within station areas. This will amend the MFTE programs of 31 cities and require adoption by seven cities.

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.

Section 3 and sections 11 through 18 of SHB 1491 require the Department to support expansion of the MFTE program.

Section 3 requires the Department to create a pre-emptive model TOD ordinance, to create guidance on floor area ratio calculations, to create a process and criteria for approving alternative actions, and to create a process and criteria for extensions on areas at high risk of displacement.

Section 5 requires the Department to accept and review parking studies to approve deviation from parking standards.

The Department assumes a professional services contract would be necessary to develop the model ordinance and to develop the guidance on floor area ratio calculations, the alternative action materials, the extension materials, and the parking study materials.

The Department assumes Section 4 will require the formation of the TOD capital grant program. The program proposed under this act will be contingent on a legislative appropriation in the operating budget.

The Department assumes the TOD capital grant program would be a covered agency action and require an environmental justice assessment.

0.4 FTE Management Analyst 4 (835 hours) FY27-FY28. This staff will manage the rulemaking process. This staff will also complete coordination with other state agency partners including the Washington State Department of Transportation.

0.2 FTE Commerce Specialist 5 (416 hours) FY26-31. This staff will hire and provide day-to-day supervision to program staff.

2.0 FTE Commerce Specialist 3 (2,088 hours) FY26-FY27, then 1.0 FTE Commerce Specialist 3 (2,088 hours) FY 28-FY31. These staff will provide capacity around solicitation, origination, management, and the monitoring of project contracts. These staff will assist senior management with drafting legislation, representing the agency, developing policy positions, and coordinating the state's role with respect to the implementation of new local government requirements to meet the TOD standards under this act. These staff will also review submittal of alternative actions, extensions for areas at high risk of displacement, and deviations from parking requirements.

0.4 Management Analyst 4 (835 hours) FY26-31. This staff will provide technical assistance, monitoring and administer the auditing program for the new station area MFTE as required by Chapter 84.14 RCW. Seven of the 38 jurisdictions do not currently have MFTE programs, and all jurisdictions will need to amend their programs to comply with the TOD regulations.

Salaries and Benefits:

FY26: \$300,305

FY27: \$347,715

FY28: \$234,205

FY29-31: \$186,795 each fiscal year

Professional Services Contracts: The Department assumes it will require two professional services contracts. The Department assumes an experienced contractor with expertise in TOD will be required to develop the model ordinance by June 30, 2027, (FY26: \$100,000 and FY27: \$200,000), including a contractor with expertise in parking deviations to develop the processes and criteria for alternative actions, extensions, and parking deviations (FY26: \$50,000 and FY27: \$100,000), which are both highly technical skillsets.

FY26: \$150,000
 FY27: \$300,000

Goods and Services: In addition to the standard Goods and Services associated with additional FTEs, the Department assumes review of the model ordinance and rulemaking materials by the Assistant Attorney General will be necessary. We estimate 50 hours of AAG time in FY28 at a rate of \$165/hour. The Department assumes the need for two Geographic Information System software licenses to map station areas and evaluate extension and alternative action requests. Each professional license is estimated at \$2,233 per year. The Department assumes an annual Zoom Grants license for grant applications will be required for \$3,438 per fiscal year.

FY26: \$16,504
 FY27: \$25,154
 FY28: \$15,904
 FY29-FY31: \$15,504 each fiscal year

Travel: In addition to Department standard assumptions, the Department assumes that staff will need to travel to complete outreach to develop and implement the pre-emptive model ordinance and attend conferences to develop and educate on TOD best practices. The Department assumes two staff will need to complete two trips annually, which include per diem, lodging and a rental vehicle for three nights each.

FY26: \$2,600
 FY27: \$3,000
 FY28: \$2,000
 FY29-FY31: \$1,600 each fiscal year

Equipment:
 FY26: \$8,000
 FY29: \$8,000

Intra-Agency Reimbursements:
 FY26: \$98,800
 FY27: \$114,398
 FY28: \$77,053
 FY29-FY31: \$61,455 each fiscal year

Total Costs:
 FY26: \$576,209
 FY27: \$790,267
 FY28: \$392,162
 FY29: \$273,354
 FY30-FY31: \$265,354 each fiscal year

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	576,209	790,267	1,366,476	602,516	530,708
Total \$			576,209	790,267	1,366,476	602,516	530,708

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	2.6	3.0	2.8	1.8	1.6
A-Salaries and Wages	224,162	259,679	483,841	314,805	279,288
B-Employee Benefits	76,143	88,036	164,179	106,195	94,302
C-Professional Service Contracts	150,000	300,000	450,000		
E-Goods and Other Services	16,504	25,154	41,658	31,408	31,008
G-Travel	2,600	3,000	5,600	3,600	3,200
J-Capital Outlays	8,000		8,000	8,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	98,800	114,398	213,198	138,508	122,910
9-					
Total \$	576,209	790,267	1,366,476	602,516	530,708

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 2026	FY 2027	2025-27	2027-29	2029-31
Commerce Specialist 3	84,518	2.0	2.0	2.0	1.0	1.0
Commerce Specialist 5	98,040	0.2	0.2	0.2	0.2	0.2
Management Analyst 4	88,794	0.4	0.8	0.6	0.6	0.4
Total FTEs		2.6	3.0	2.8	1.8	1.6

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Local Government Division (600)	576,209	790,267	1,366,476	602,516	530,708
Total \$	576,209	790,267	1,366,476	602,516	530,708

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
057-1	State Building Construction Account	State	162,450	301,600	464,050	611,200	603,200
Total \$			162,450	301,600	464,050	611,200	603,200

IV. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	2.0	1.5	2.0	2.0
A-Salaries and Wages	80,859	161,718	242,577	323,436	323,436
B-Employee Benefits	28,358	56,717	85,075	113,434	113,434
C-Professional Service Contracts					
E-Goods and Other Services	8,300	9,300	17,600	18,600	18,600
G-Travel	1,000	2,000	3,000	4,000	4,000
J-Capital Outlays	8,000		8,000	8,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	35,933	71,865	107,798	143,730	143,730
9-					
Total \$	162,450	301,600	464,050	611,200	603,200

IV. C - Capital Budget Breakout

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

Construction Estimate	FY 2026	FY 2027	2025-27	2027-29	2029-31
Pre-design/Design					
Construction					
Grants/Loans					
Staff	162,450	301,600	464,050	611,200	603,200
Other					
Total \$	162,450	301,600	464,050	611,200	603,200

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

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Commerce Specialist 2	72,924	0.5	1.0	0.8	1.0	1.0
Commerce Specialist 4	88,794	0.5	1.0	0.8	1.0	1.0
Total FTEs		1.0	2.0	1.5	2.0	2.0

Section 4 states that subject to appropriation, the Department must create and administer a new TOD capital grant program. That appropriation is indeterminate and grant awards under this act are dependent on the capital appropriation level. The Department assumes 3% administrative costs. The staffing levels assumed are identified below. The following costs and assumptions are for illustrative purposes only.

Pending legislative appropriation, the Department assumes the program would be operational by January 1, 2026, and would begin its first grant cycle after that date. The Department has previously provided TOD planning grants and currently operates an infrastructure capital grant program. The Department assumes one full time staff member is able to carry a capital contract caseload of up to 30 contracts per year.

0.5 FTE Commerce Specialist 4 (1,044 hours) FY26 and 1.0 FTE (2,088 hours) FY27-FY31. This staff will assign contracts and provide contract negotiation and execution support, lead project site monitoring and site visits, and oversight of contract management activities.

0.5 FTE Commerce Specialist 2 (1,044 hours) FY26 and 1.0 FTE (2,088 hours) FY27-FY31. This staff will provide contract management and program technical assistance in support of capital contracts and invoice verification, providing or building capacity around solicitation, origination, management, and the monitoring of project contracts.

Salaries and Benefits:

FY26: \$109,217

FY27-FY31: \$218,435 each fiscal year

Goods and Services: The Department assumes review from an Assistant Attorney General of the grant program materials will be necessary. We estimate the need for 20 hours of AAG hours at a cost of \$165 per hour each year the grant program makes awards.

FY26: \$8,300

FY27-FY31: \$9,300 each fiscal year

Travel:

FY26: \$1,000

FY27-FY31: \$2,000 each fiscal year

Equipment:

FY26: \$8,000

FY29: \$8,000

Intra-Agency Reimbursements:

FY26: \$35,933

FY27-FY31: \$71,865 each fiscal year

Total Costs:

FY26: \$162,450

FY27-FY31: \$301,600 each fiscal year

Part V: New Rule Making Required

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

The Department will require rulemaking to update WAC 365-196 and 365-199 for the requirements for approval of alternative actions, extensions, and parking studies under this act.

Individual State Agency Fiscal Note

Bill Number: 1491 S HB	Title: Transit-oriented housing dev	Agency: 405-Department of Transportation
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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: Jackie Kauble	Phone: 360-786-7125	Date: 02/17/2025
Agency Preparation: Cherryl Steben	Phone: 360-705-7919	Date: 02/20/2025
Agency Approval: Brian Lagerberg	Phone: 360-705-7878	Date: 02/20/2025
OFM Review: Erik Hansen	Phone: (360) 810-0883	Date: 02/21/2025

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: HB 1491 **Title:** Transit Oriented Housing Dev **Agency:** 405-Department of Transportation

Part I: Estimates

- No Fiscal Impact (Explain required 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)

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- 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

Fiscal Detail

N/A

Agency Assumptions

N/A

Agency Contacts:

Preparer: Cheryl Steben, Business Analyst	Phone: 360-705-7919	Date: 2/19/2025
Approval: Brian Lagerberg, PTD Director	Phone: 360-705-7878	Date: 2/19/2025
Budget Manager: Robert Sirghie, Budget Manager	Phone: 360-705-7546	Date: 2/19/2025

Part II: Narrative Explanation

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

This bill has no fiscal impact on the Washington State Department of Transportation. This impacts cities, towns, transit agencies, Metropolitan Planning Organizations/Regional Transportation Planning Organizations, land use and community-based non-profits, affordable housing and other developers required to engage in new planning efforts in order implement the law changes.

II. B – Cash Receipts Impact

N/A

II. C - Expenditures

N/A

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