

HB 1220: Planning for and Accommodating Housing Needs

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Washington State
Department of
Commerce

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Agenda

- New housing element requirements
- Housing needs and allocation
- Land capacity guidance
- Adequate provisions guidance
- Next steps & final deliverables

HB 1220 Requirements

Requires **Commerce to provide projected housing needs to local governments** by income bracket and for permanent supportive housing (PSH) and emergency housing

Local housing element to:

- Conduct an **inventory and analysis of all housing needs** – to include housing needs by income, PSH and emergency housing
- **Identify sufficient capacity of land** for identified housing needs
- **Make adequate provisions for all housing needs**, including “document barriers to housing availability such as gaps in local funding, development regulations, etc.”
- Identify **local policies and regulations that result in racially disparate impacts, displacement, and exclusion** in housing and
- **Identify and implement policies and regulations to undo them**
- **Identify areas at higher risk of displacement and establish anti-displacement policies**

Updating Housing Needs Process

Use Commerce projected housing needs & allocate to jurisdictions

HAPT and Allocation
Guidance

Show sufficient capacity for each income level and housing type

Land Capacity
Guidance

Identify barriers and limitations to housing needed &
Document programs and actions needed to achieve
housing availability

Adequate
Provisions
Guidance

Update policies and regulations

Housing Needs and Allocation Guidance

- Projected housing needs will be developed at a countywide level, using OFM population projections
- Projections account for underproduction, a healthy vacancy rate, and remove second homes
- Counties and cities will need to decide how to allocate these needs, as they have done for population since the passage of the GMA.
- Commerce has developed Allocation Guidance and a tool (Housing for All Planning Tool or HAPT) to help communities do this work

Housing Units by Income Band	Area Median Income (AMI)
Emergency housing/shelters	NA
Extremely low:	0-30% AMI, including some PSH*
Very low	31-50%
Low	51-80%
Moderate	81-120%
Other	Above 120%

*PSH = permanent supportive housing

Allocation Guidance

The allocation guidance includes:

- A description of how to use the HAPT tool to find the countywide need number
- The minimum standards that communities must use to allocate housing needs
 - Must use tool to generate housing needs using a population within the OFM range
 - The sum of housing needs allocated to all jurisdictions must match up to countywide total
 - Jurisdictions must document local housing needs in the housing element
- A description of the two methods for allocating need provided in the HAPT tool
- Guidance for developing custom allocation methods
- How to align local housing needs from an HNA or HAP with the allocation

Allocation Options

- The county may use any method it wants to allocate housing needs, so long as it meets minimum requirements in the guidance
- Allocation tool provides two frameworks for allocating housing needs
 - **Method A: Focuses on new growth.** The same shares of new housing growth are affordable in every jurisdiction. (“Everyone does the same thing”)
 - **Method B: Focuses on the planning horizon year.** The same shares of total housing stock in 2044 are affordable in every jurisdiction. (“Everyone tries to reach the same goal”)
- Other allocation options:
 - Apply manual adjustments to the values provided in the tool
 - Incorporate new criteria using a weighted system

Land Capacity (bold text items added with HB 1220)

RCW 36.70A.070(2)(c): “Identifies sufficient capacity of land for housing including, but not limited to:

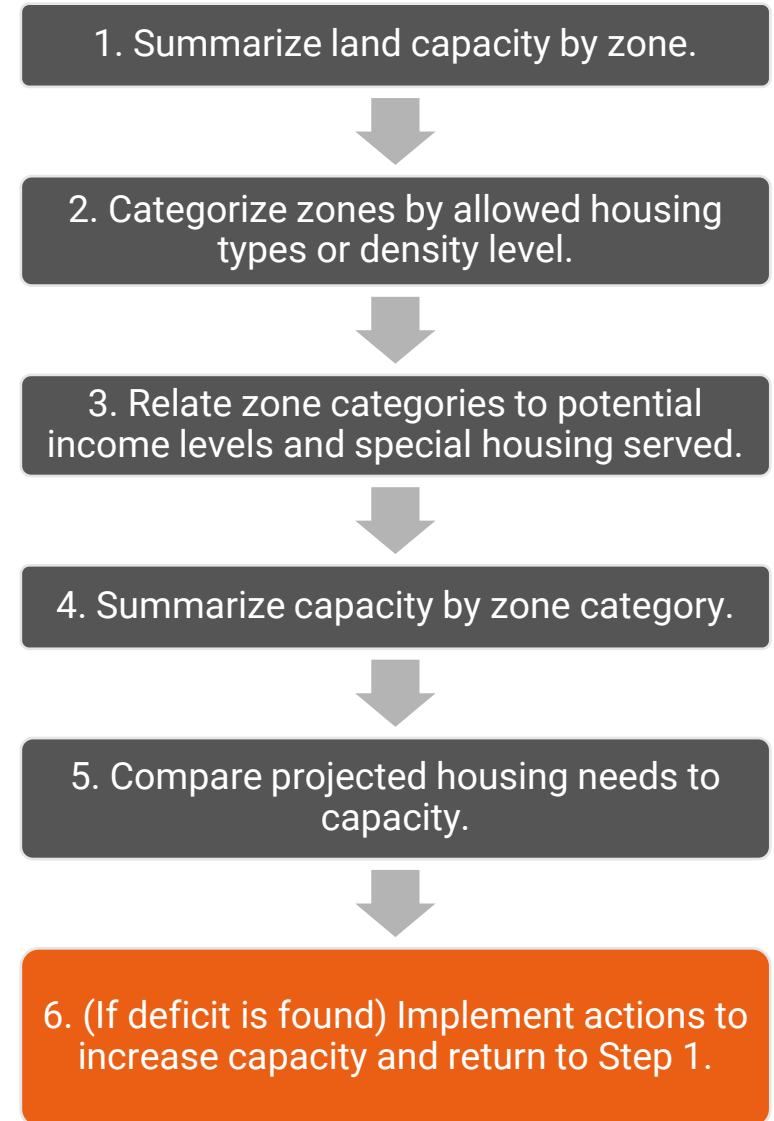
- government-assisted housing,
- housing for **moderate, low, very low, and extremely low-income households,**
- manufactured housing,
- multifamily housing,
- group homes,
- foster care facilities,
- **emergency housing, emergency shelters,**
- **permanent supportive housing, and**
- **within an urban growth area boundary, consideration of duplexes, triplexes, and townhomes”**

Draft land capacity analysis

Minimum requirements

- Present a table of allocated housing needs by income level and permanent supportive housing and emergency housing needs.
- Relate each type of housing need to zones that can reasonably accommodate those needs.
- Show that there is enough capacity to meet each type of housing need.
- **If there is insufficient capacity for any type of housing need, the jurisdiction must identify and implement zoning changes that provide enough capacity prior to adoption of the comprehensive plan.**

Steps to show sufficient capacity



Step 1. Summarize Land Capacity by Zone

- This guidance generally aligns with the Buildable Lands Program Guidelines
- Includes new guidance for calculating ADU housing capacity (OPTIONAL)

Development Capacity by Zone					
Zone	Developable Land (acres)	Assumed Achieved Density (units/acre)	Total Residential Capacity (units)	Existing Housing on Developable Land (units)	Net Residential Capacity (units)
Single Family Residential (R-4)	2,284	3.2 units/acre	7,310	310	7,000
Medium Density Residential (R-8)	1,059	6.8 units/acre	7,204	204	7,000
Multifamily Residential (R-12)	650	9.4 units/acre	6,110	110	6,000
Multifamily Residential (R-30)	359	18.6 units/acre	6,686	86	6,600
ADU Capacity (All Zones)					
ADU-Eligible Lots (Market Factor Applied)	Assumed ADU Production per Year	Assumed Long-Term Housing Percentage	Assumed ADU Production for Long-Term Housing	ADU Production Greater than Eligible Lots?	Total ADU Capacity
680	40	50%	400	No	400

Capacity for ADUs

Methodology

1. Estimate total lots eligible for ADUs
2. Estimate potential rate of production
 - e.g., 30 ADUs permitted per year x 20 years = 600 total ADUs
3. Compare estimated ADU production to the total number of lots eligible, minus a reasonable participation deduction factor
 - e.g., 500 eligible lots x (100%-20% deduction factor) = 400 available lots
4. Account for number of ADUs expected per lot
 - e.g., 400 available lots x 1 ADU per lot = 400 total ADUs

Step 2. Classify Zones by Allowed Housing Types and Densities

Zone Categories Defined
(Example)

Zone Category	Typical Housing Types Allowed
Low Density	Detached single-family homes
Moderate Density	Townhomes, duplex, triplex, quadplex
Low-Rise	Walk-up apartments or condominiums (up to 3 floors)
Mid-Rise	Apartments, condominiums in buildings with 4-6 floors
High-Rise / Tower	Apartments or condominiums in buildings with 7+ floors

Zone	Housing Types Allowed	Max Density Level Allowed	Assigned Zone Category
Single Family Residential (R-4)	Detached single family homes	4 units/acre	Low Density
Medium Density Residential (R-8)	Detached single family homes, duplexes	8 units/acre	Low Density
Multifamily Residential (R-12)	Detached single family homes, townhomes, duplexes, triplexes, quadplexes, 6-plexes	12 units/acre	Moderate Density
Multifamily Residential (R-30)	Apartments, townhomes	30 units/acre	Low-Rise

Step 3. Relate Zone Categories to Potential Income Levels and PSH/Emergency Housing Types Served

Zone Category	Typical Housing Types Allowed	Lowest Potential Income Level Served		Assumed Affordability Level for Capacity Analysis
		Market Rate	With Subsidies	
Low Density	Detached single family homes	Higher Income (>120% AMI)	Not typically feasible at scale*	Higher Income (>120% AMI)
Moderate Density	Townhomes, duplex, triplex, quadplex	Moderate Income (>80-120% AMI)	Not typically feasible at scale*	Moderate Income (>80-120% AMI)
Low-Rise	Walk-up apartments, condominiums, PSH (2-3-floors)	Low Income (>50-80% AMI)	Extremely Low and Very Low Income (0-50% AMI)	Low Income (0-80% AMI) and PSH
Mid-Rise	Apartments, condominiums, PSH	Low Income (>50-80% AMI)	Extremely Low and Very Low Income (0-50% AMI)	Low Income (0-80% AMI) and PSH
ADUs (All Zones)	Accessory Dwelling Units on developed residential lots	Low Income (>50-80% AMI)	N/A	Low Income (>50-80% AMI) – <i>Group with Low-Rise and/or Mid-Rise</i>

Step 4. Summarize Capacity by Zone Category

Zone	Unit Capacity	Assigned Zone Category	Capacity in Zone Category
Single Family Residential (R-4)	7,000	Low Density	14,000
Medium Density Residential (R-8)	7,000		
Multifamily Residential (R-12)	6,000	Moderate Density	6,000
Multifamily Residential (R-30)	6,600	Low-Rise	6,600
ADUs	400	ADUs	400

Step 5. Compare Projected Housing Needs to Capacity

Income Level (% AMI) and Special Housing Needs	Allocated Housing Need	Zone Categories Serving These Needs	Aggregated Housing Need	Total Capacity	Capacity Surplus or Deficit
0-30% PSH	2,000	Low-Rise + ADUs	13,000	7,000	-6,000
0-30% Other	4,000				
>30-50%	3,000				
>50-80%	4,000				
>80-100%	2,000	Moderate Density	5,000	6,000	1,000
>100-120%	3,000				
>120%	6,000	Low Density	6,000	14,000	8,000
Total	24,000		24,000	27,000	3,000

Step 6. Implement Actions to Address Lack of Capacity for One or More Housing Needs

Adjustments to Development Capacity by Zone					
Zone	Zoning Changes (net developable acres)	Net Zoning Changes (acres)	Assumed Planned Density (units/acre)	Residential Capacity Adjustment (units)	Zone Category
Single Family Residential (R-4)	○ -150 ac (to R-8)	-150	4 units/acre	-600	Low Density
Medium Density Residential (R-8)	○ +150 ac (from R-4) ○ -150 ac (to R-12)	0	8 units/acre	0	Low Density
Multifamily Residential (R-12)	○ +150 ac (from R-8) ○ -200 ac (to R-30)	-50	12 units/acre	-600	Moderate Density
Multifamily Residential (R-30)	○ +200 ac (from R-12)	+200	30 units/acre	+6,000	Low-Rise

Emergency Housing: **New** with HB 1220

- **New requirements that limit development regulations related to the citing of emergency housing and emergency shelters**
- **Cities may not prohibit indoor emergency housing:**
 - In any zone where hotels are allowed OR
 - They must allow emergency housing/shelters in a majority of zones within a one-mile proximity to transit
- **Cities may adopt reasonable occupancy, spacing and intensity of use requirements to protect public health and safety**
 - These regulations must not prevent the development of sufficient emergency housing beds to meet the community's identified need

Emergency Housing Land Capacity Analysis (LCA)

- Jurisdictions must do a quantitative LCA for emergency housing (EH) needs unless they can demonstrate both:
 - The jurisdiction has one or more zones that allow hotels, all of which allow for EH by right, OR that EH is allowed by right in a majority of zones within one-mile of transit.
 - AND that there are no regulations that limit the occupancy, spacing or intensity of EH.

Recommended Emergency Housing (EH) Land Capacity Analysis Methodology

1. Identify parcels in zones that allow EH and emergency shelters (ES)
2. Narrow search to vacant and underutilized parcels
3. Next, remove parcels that have pending development applications
4. Then, apply adopted spacing or intensity requirements to identify maximum number of possible sites
5. Determine possible capacity for EH using either (1) occupancy/intensity method or (2) assumed density method
6. Add up capacity
7. Compare capacity to allocated EH need

Example EH Land Capacity Analysis

Site Grouping	Acres	Density	Capacity (beds or units)	Total Capacity	Total Need	Capacity Surplus or Deficit
Existing Hotel Conversion			60	327	500	173
Emergency Housing – Safe Park	1	27 RVs/acre	27			
Emergency Housing – <u>Microhomes</u>	4	60 units/acre	240			

Site Grouping	Acres	Density	Capacity (beds or units)	Total Capacity	Total Need	Adjusted Capacity Surplus or Deficit
Existing Hotel Conversion			60	513	500	13
Congregate Shelter	3	37 beds/acre	111			
Emergency Housing – Safe Park	2	27 RVs/acre	54			
Emergency Housing – <u>Microhomes</u>	4.8	60 units/acre	288			

Possible Land Capacity Findings

- Jurisdictions will likely find they don't have enough capacity for lower-income housing needs
 - Result: Need to add more zoning capacity for higher density housing types
- Areas that were not planned to be served by infrastructure may need attention in capital facilities plan to support needed capacities
- Rural areas do not support lower-income housing needs due to lot sizes and restrictions on type of housing
 - Result: Growth will need to be directed into cities, unincorporated urban growth areas, and where appropriate, LAMIRDs with infrastructure
- Cities may also need to update regulations allowing emergency housing and shelters, transitional housing and PSH

Adequate Provisions (all new additions in gray)

RCW 36.70A.070(2)(d): “Makes adequate provisions for existing and projected needs of all economic segments of the community, including:

- (i) Incorporating consideration for low, very low, extremely low, and moderate-income households;
- (ii) Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations;
- (iii) Consideration of housing locations in relation to employment location; and
- (iv) Consideration of the role of accessory dwelling units in meeting housing needs.”

(ii) Documenting programs and actions

RCW 36.70A.070(2)(d)

(ii) “**Documenting programs and actions needed to achieve housing availability** including gaps in local funding, barriers such as development regulations, and other limitations”

Recommended minimum standard:

1. Review housing production trends to determine if a barrier exists (If yes, then proceed to next step)



2. Gather information to determine what kind(s) of barriers exist



3. Identify and document appropriate programs and actions to overcome each barrier identified

Step 1 of “Documenting programs and actions”

Review housing production trends to determine if barriers exist

Exhibit 3. Example Comparison of Production Trends to Housing Needs to Determine if Barriers to Production Exist

Income Level (% AMI)	Projected Housing Need (2020-2045)	Housing Type(s) that Best Serve These Needs	Aggregated Housing Need (2020-2045)	Annual Unit Production Needed	Historical Average Annual Unit Production	Is there a barrier to sufficient production?
0-30% PSH	2,000	Low-Rise and Mid-Rise (walk ups up to 3 stories, apartments and condominiums)	13,000	520	120	Yes
0-30% Other	4,000					
>30-50%	3,000					
>50-80%	4,000					
>80-100%	2,000	Moderate Density (townhomes, duplex, triplex, 4-plex) + ADUs	5,000	200	80	Yes
>100-120%	3,000					

Step 2 of “Documenting programs and actions”

Gather information to determine what kinds of barriers exist

Exhibit 7: Moderate Density Housing Barrier Review Checklist

Barrier	Is this barrier likely to affect housing production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barrier.
Development Regulations			
Unclear development regulations			
Prohibiting some moderate density housing types, such as: <ul style="list-style-type: none">• Duplexes• Triplexes• Four/five/six-plexes• Townhomes• Cottage housing• Live-work units• Manufactured home parks			
High minimum lot sizes			
Low maximum densities or low maximum FAR			
Low maximum building heights			

Step 3 of “Documenting programs and actions”

Identify and document appropriate programs and actions to overcome each barrier

Matrix Legend: ★ Potential high impact Strategy	Barriers and Other Limitations			
	Development Regulations	Process Obstacles	Limited Land Availability & Environmental Constraints	Funding Gaps
PUD/PRD and Cluster Subdivisions (HAP Guidance Exhibit 22: R-6)	★		★	
Manufactured Home and Tiny House Communities (HAP Guidance Exhibit 22: R-7)	★		★	
SEPA Threshold Exemptions (HAP Guidance Exhibit 22: P-1, see MRSC for most up-to-date information)		★		
SEPA Infill Exemption (HAP Guidance Exhibit 22: P-2)		★	★	
Subarea Plan with Non-Project EIS (HAP Guidance Exhibit 22: P-3)		★		

(iii) Considerations for employment locations

(d) Makes adequate provisions for existing and projected needs of all economic segments of the community, including:

...

(iii) Consideration of housing locations in relation to employment location; and

Recommended Minimum Standard:

- Consider employment locations, transit availability, and wage levels during countywide housing need allocation
- Additional considerations for local planning
 - Capacity for housing near transit with access to job centers
 - Relationship between local workforce wages and housing needs

(iv) Considerations for ADUs

(d) Makes adequate provisions for existing and projected needs of all economic segments of the community, including:

...

(iv) Consideration of the role of accessory dwelling units in meeting housing needs;

Recommended Minimum Standard:

- Current conditions review
 - What kinds of ADUs are allowed and typically developed?
 - What is the rate of new ADU production?
 - How are ADUs being used?
 - *Optional: Capacity for ADUs (see guidance for land capacity analysis)*
- ADU barriers and actions review tool
- Narrative on potential role of ADUs in meeting housing needs

Project timeline

Deliverable	Publication Date
Public Review Draft of Allocation Guidance	July 2022
Public Review Draft of Projection Methodology & Draft Tool	October 2022
Public Review Draft of Land Capacity	December 2022
Public Review Draft of Adequate Provisions	January 2023
Final Projected Housing Needs (HAPT) & Allocation Guidance	Feb 28, 2023
Final Land Capacity & Adequate Provisions Guidance	Mid-April 2023
Webinar 1 on Projected Housing Needs & Allocation	March 2023
Webinar 2 on Land Capacity & Adequate Provisions	End of April 2023

Questions?

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Updating GMA Housing Elements

Growth Management Act housing element updates and requirements created by HB 1220 are presented below.



Planning for Housing in Washington State

In 2021, the Washington Legislature changed the way communities are required to plan for housing. [House Bill 1220](#) (HB 1220) amended the Growth Management Act (GMA) to instruct local governments to “plan and accommodate” for housing affordable to all income levels. This significantly strengthens the previous goal, which was to encourage affordable housing. HB 1220 also made significant updates to how jurisdictions are to plan for housing in the housing element of their comprehensive plans.

Quick Links

- [Growth Management](#)
- [Governor's Smart Communities Awards Program](#)
- [Collaborative Roadmap Phase III](#)
- [Climate Program](#)
- [GMA Laws and Rules](#)
- [GMA Periodic Update](#)
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