

HB 2984 A STAFF MEASURE SUMMARY
House Committee On Housing and Homelessness

Carrier: Rep. Marsh

Action Date: 03/23/23

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 10-1-0-0

Yeas: 10 - Boice, Dexter, Fahey, Gamba, Hartman, Helfrich, Helm, Javadi, Levy E, Wright

Nays: 1 - Cate

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

Prepared By: Claire Adamsick, LPRO Analyst

Meeting Dates: 3/2, 3/23

WHAT THE MEASURE DOES:

Requires local governments to allow conversion of a building from commercial use to residential use without requiring a zone change or conditional use permit. Clarifies housing developed using commercial to residential conversion may occur only in an urban growth boundary for cities with population of 10,000 or greater and not on lands zoned for industrial use. Allows local governments to require payment of system development charge (SDC) if charge: is based on specific commercial to residential conversion policy adopted by a local government on or before December 31, 2023; or is for water or wastewater and is offset by any SDCs paid when building was originally constructed; and is not subject to parking minimums greater than those required for existing commercial or residential use.

ISSUES DISCUSSED:

- Financial feasibility of affordable residential development projects
- Expense for developers and local governments in converting commercial properties to residential use
- Applicability of measure to cities smaller than 10,000 in population

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

Local governments may deny or condition the approval of affordable housing applications based on a variety of factors, including whether the application proposes to develop on land zoned for residential uses and the nature of the property ownership.

In 2021, the Legislative Assembly enacted Senate Bill 8, which restricted local governments from denying or limiting the approval of affordable housing applications, subject to certain zoning and property ownership conditions. The measure established density standards and conditions under which local governments must approve affordable housing applications.

House Bill 2984 A requires local governments to allow conversion of a building from commercial use to residential use without requiring a zone change or conditional use permit, if the property is located within the local government's urban growth boundary and meets certain conditions. The measure specifies when local governments can impose certain system development charges or parking minimums on a commercial to residential conversion.