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WAYS AND MEANS

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To: Transportation and Economic Development Subcommittee
From: Haylee Morse-Miller, Legislative Fiscal Office
Date: June 10, 2025
Subject: HB 2138 – Relating to land use
Work Session Recommendations

HB 2138 relates to development of middle housing. This measure requires certain cities, counties, and Metro to allow development of middle housing on all lots and parcels zoned for residential use; modifies requirements for traffic impact analyses, and notice and appeal requirements, for development of middle housing; incentivizes development of low income and accessible housing units; specifies parking requirements for single room occupancies; and makes a variety of other changes related to middle housing development and land division.

The Land Conservation and Development Commission is to adopt rules under this measure by January 1, 2028. The rules are to restrict siting or design standards that would discourage manufactured, site-built, or prefabricated housing; establish parameters on unreasonable cost or delay for siting and design standards for accessory dwelling units and single room occupancies; regulate cottage clusters; amend siting and design parameters for middle housing types; amend permissible discretionary criteria applied by local governments evaluating housing; include development of optional model system development charges for residential development types; and establish procedures to estimate the reasonable zoned housing capacity of an area.

The - A8 amendment includes an appropriation of \$2.4 million General Fund for the Department of Land Conservation and Development (DLCD) to implement this measure. Funding would be used for public engagement, rulemaking activities, and to hire three permanent, full-time Planner 3 positions (2.63 FTE in the 2025-27 biennium) to support rulemaking and assist local governments to align code updates with statutory requirements.

The amendment includes an additional \$1.5 million General Fund that the agency will provide as technical assistance grants to local governments for middle housing-related work.

Amendment

LFO recommends adoption of the –A8 amendment.

MOTION: I move adoption of the –A8 amendment to HB 2138. *(vote)*

Final Subcommittee Action

LFO recommends that HB 2138, as amended by the –A8 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 2138, as amended, to the Full Committee with a do pass recommendation. *(vote)*

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____