## ENGROSSED SUBSTITUTE HOUSE BILL 1998

AS AMENDED BY THE SENATE

Passed Legislature - 2024 Regular Session

## State of Washington 68th Legislature 2024 Regular Session

**By** House Housing (originally sponsored by Representatives Gregerson, Barkis, Leavitt, Rule, Ryu, Reed, Morgan, Fitzgibbon, Berry, Duerr, Bronoske, Ramos, Ramel, Bateman, Peterson, Chambers, Taylor, Simmons, Ormsby, Graham, Callan, Macri, Donaghy, Doglio, Mena, Nance, Riccelli, Cortes, Santos, Pollet, and Davis)

READ FIRST TIME 01/15/24.

AN ACT Relating to legalizing inexpensive housing choices through co-living housing; adding a new section to chapter 36.70A RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 <u>NEW SECTION.</u> Sec. 1. (1) The legislature makes the following 6 findings:

7 (a) Washington state is experiencing a housing affordability 8 crisis;

9 (b) Co-living housing is a type of housing that can provide 10 rental homes affordable to people with moderate to low incomes 11 without requiring any public funding, and rents in newly constructed, 12 market-rate co-living housing in the Puget Sound region can be 13 affordable to people with incomes as low as 50 percent of area median 14 income;

(c) Co-living housing is a residential development with sleeping units that are independently rented and provide living and sleeping space, in which residents share kitchen facilities with residents of other units in the building;

(d) Co-living housing historically provided a healthy inventory of rental homes on the lowest rung of the private housing market, comprising up to 10 percent of housing in some cities; 1 (e) Starting in the mid-20th century, local governments began 2 adopting restrictive zoning and other rules that increasingly 3 prohibited co-living housing, or made it impractical to build or 4 operate, and its numbers plummeted;

5 (f) Today, many cities and counties outright prohibit co-living 6 housing on most of their residential land, or they enforce any number 7 of restrictions that make it effectively impossible to build new co-8 living housing or to convert existing buildings into co-living 9 housing;

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(g) Co-living housing provides options for people who:

11 (i) Wish to lower their housing expenses by paying less for a 12 smaller home;

13 (ii) Prefer a living arrangement with shared community spaces 14 that facilitate social connections;

(iii) Wish to trade off location for space and, by living in a small home, also get to live in a high opportunity neighborhood they could not otherwise afford; or

18 (iv) Want a low-cost, more private alternative to having a 19 roommate in a traditional rental;

(h) Many communities throughout Washington face a severe shortage
of workforce housing, and co-living housing provides housing
affordable to that income range and below, without public funding;

(i) Co-living housing reduces pressure on the limited amount of publicly funded affordable housing by providing housing that is affordable to lower income residents who might otherwise wait years for subsidized housing;

(j) Co-living housing works best for single-person households, but the housing for singles that it provides reduces demand for family-sized rentals from singles who would otherwise group together to rent large homes;

31 (k) Co-living housing provides a good option for seniors, 32 especially those who want to downsize, or those who desire a living 33 arrangement that is more social than a standard apartment. When 34 located in walkable neighborhoods, co-living housing gives mobility 35 options to seniors who can no longer drive;

36 (1) Co-living housing is well-suited for the conversion of office 37 buildings to housing, because it typically requires less plumbing and 38 fixtures for kitchens and bathrooms;

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1 (m) Co-living housing is well-suited for very low-income people, 2 supportive and recovery housing, and "housing first" homes for the 3 formerly homeless;

4 (n) State building codes have established minimum sizes and other
5 standards to ensure that co-living housing meets modern health and
6 safety standards;

7 (o) Creating co-living housing near transit hubs, employment 8 centers, and public amenities can help the state achieve its 9 greenhouse gas reduction goals by increasing walkability, shortening 10 household commutes, curtailing sprawl, and reducing the pressure to 11 develop natural and working lands; and

(p) Co-living housing, because the units are small, is inherently more energy efficient than standard apartments, both saving residents money and reducing the state's energy demand.

15 (2) Therefore, the legislature intends to allow the creation of 16 co-living housing as a means to address the need for additional 17 affordable housing options for a diversity of Washington residents.

18 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 36.70A
19 RCW to read as follows:

(1) Cities and counties planning under this chapter must allow co-living housing as a permitted use on any lot located within an urban growth area that allows at least six multifamily residential units, including on a lot zoned for mixed use development.

(2) A city or county subject to the provisions of this sectionmay not require co-living housing to:

(a) Contain room dimensional standards larger than that required
by the state building code, including dwelling unit size, sleeping
unit size, room area, and habitable space;

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(b) Provide a mix of unit sizes or number of bedrooms; or

30 (c) Include other uses.

31 (3) (a) A city or county subject to the provisions of this section32 also may not require co-living housing to:

33 (i) Provide off-street parking within one-half mile walking 34 distance of a major transit stop; or

35 (ii) Provide more than 0.25 off-street parking spaces per 36 sleeping unit.

37 (b) The provisions of (a) of this subsection do not apply:

(i) If a city or county submits to the department an empiricalstudy prepared by a credentialed transportation or land use planning

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1 expert that clearly demonstrates, and the department finds and 2 certifies, that the application of the parking limitations of (a) of 3 this subsection will be significantly less safe for vehicle drivers 4 or passengers, pedestrians, or bicyclists than if the jurisdiction's 5 parking requirements were applied to the same location. The 6 department must develop guidance to assist cities and counties on 7 items to include in the study; or

8 (ii) To portions of cities within a one-mile radius of a 9 commercial airport in Washington with at least 9,000,000 annual 10 enplanements.

11 (4) A city or county may not require through development 12 regulations any standards for co-living housing that are more 13 restrictive than those that are required for other types of 14 multifamily residential uses in the same zone.

(5) A city or county may only require a review, notice, or public meeting for co-living housing that is required for other types of residential uses in the same location, unless otherwise required by state law including, but not limited to, shoreline regulations under chapter 90.58 RCW.

20 (6) A city or county may not exclude co-living housing from 21 participating in affordable housing incentive programs under RCW 22 36.70A.540.

(7) A city or county may not treat a sleeping unit in co-living housing as more than one-quarter of a dwelling unit for purposes of calculating dwelling unit density.

(8) A city or county may not treat a sleeping unit in co-living housing as more than one-half of a dwelling unit for purposes of calculating fees for sewer connections, unless the city or county makes a finding, based on facts, that the connection fees should exceed the one-half threshold.

(9) (a) A city or county subject to the requirements of this section must adopt or amend by ordinance and incorporate into their development regulations, zoning regulations, and other official controls the requirements of this section to take effect no later than December 31, 2025.

36 (b) In any city or county that has not adopted or amended 37 ordinances, regulations, or other official controls as required under 38 this section, the requirements of this section supersede, preempt, 39 and invalidate any conflicting local development regulations.

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1 (10) Any action taken by a city or county to comply with the 2 requirements of this section is not subject to legal challenge under 3 this chapter or chapter 43.21C RCW.

4 (11) For the purposes of this section, the following definitions 5 apply:

6 (a) "Co-living housing" means a residential development with 7 sleeping units that are independently rented and lockable and provide 8 living and sleeping space, and residents share kitchen facilities 9 with other sleeping units in the building. Local governments may use 10 other names to refer to co-living housing including, but not limited 11 to, congregate living facilities, single room occupancy, rooming 12 house, boarding house, lodging house, and residential suites.

13 (b) "Major transit stop" means:

(i) A stop on a high capacity transportation system funded orexpanded under the provisions of chapter 81.104 RCW;

16 (ii) Commuter rail stops;

17 (iii) Stops on rail or fixed guideway systems, including 18 transitways;

19 (iv) Stops on bus rapid transit routes or routes that run on high 20 occupancy vehicle lanes; or

(v) Stops for a bus or other transit mode providing actual fixed route service at intervals of at least 15 minutes for at least five hours during the peak hours of operation on weekdays.

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