

# Increasing Washington State's Urban Residential Building Capacity

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Actions taken by municipalities in response to HB 1923 and HAPI grants

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# WCRER

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## Executive Summary

In recent years, the Washington legislature has enacted significant legislation intended to increase capacity for residential development in urban areas and thereby make housing more affordable. It is well understood that unnecessarily restrictive regulatory constraints are among the key factors leading to the inadequate supply and high cost of housing. The recent legislation directly targets these kinds of constraints.

This report focuses on the possible impacts of two key pieces of legislation: HB 1923 and HB 2343, enacted in 2019 and 2020, respectively. These provided planning grants to help municipalities develop and implement housing action plans intended to identify potential actions, including code changes, to enhance residential building capacity.

Using data from several sources, we categorize actions that were implemented into eight categories. The data sources are: surveys conducted by the Puget Sound Regional Council (PSRC) and the Washington Center for Real Estate Research (WCER); PlanView and administrative data maintained by the Department of Commerce; and zoning and other ordinances related to housing development.<sup>1</sup> The eight categories are based on those previously defined by PSRC for the purposes of their surveys and cover the range of potential actions that jurisdictions might adopt.

Although there are several caveats related to these sources of data, they do suggest that the grant programs have been effective in encouraging municipalities to undertake actions to increase residential capacity. Based on the data combined from all the sources listed above, at least 64% of the 103 jurisdictions receiving grants have adopted at least one measure to promote residential capacity in their communities.<sup>2</sup> This compares with 45% and 46% of the respondents to the PSRC and WCER surveys, respectively. Both of those surveys included jurisdictions that did not receive grants.

The combined data show that more recipient municipalities (48%) took actions related to inclusionary zoning than engaged in actions related to the other categories used for this report.<sup>3</sup> The next most popular categories were reductions in parking requirements (27%), density bonuses (26%), the Multi-Family Housing Property Tax Exemption (MFTE) program (25%), and permitting priority or fee reduction (24%). Least common were planned actions to prepare Environmental Impact Statements for subareas (14%), use of public land for affordable housing (7%), and use of transfer of development rights (TDRs) to provide density credits (4%).

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<sup>1</sup> PlanView is a database maintained by the Department of Commerce containing information about changes to local comprehensive plans and land use regulations; this information is submitted by municipalities.

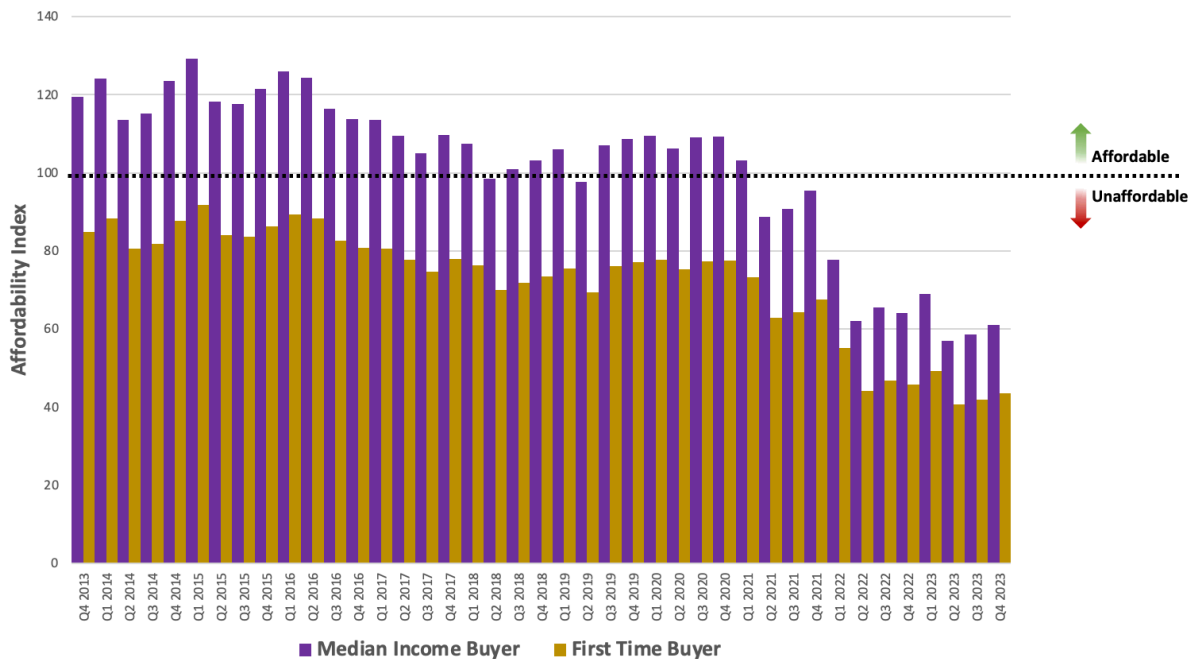
<sup>2</sup> Because the survey responses and PlanView data are provided voluntarily by municipalities, there may be some jurisdictions that took actions that are not reflected in the data used for this report.

<sup>3</sup> Inclusionary zoning is defined broadly to include code changes mandating provision of affordable housing as well as upzoning for affordable housing, such as increasing allowable densities or permitting accessory dwelling units in single-family zones. The Department of Commerce defines inclusionary zoning more narrowly to refer to affordable housing mandates.

## Housing Supply and Affordability in Washington

Incentives to increase housing supply and affordability have been a major focus of state and local policy efforts in Washington in recent years. It is well understood that unnecessarily restrictive regulatory constraints are among the key factors leading to the inadequate supply and high cost of housing.<sup>4</sup> Washington has enacted significant legislation to encourage or require cities, towns, and counties to modify growth management plans, zoning ordinances, and other regulations in ways that remove unnecessary constraints.

Over the past ten years, affordability has declined significantly for home buyers in Washington, particularly in recent years as interest rates have made it much more expensive to finance home purchases (Figure 1). Based on indexes calculated by WCRER, affordability varies across the state, with San Juan, King, and Kittitas counties being the least affordable for both median-income and first-time buyers as of the fourth quarter 2023.<sup>5</sup> The median-priced house is affordable to median-income home buyers in only two rural counties: Columbia and Mason. No counties are affordable for first-time buyers.<sup>6</sup>



**Figure 1: Statewide housing affordability indexes for home buyers**

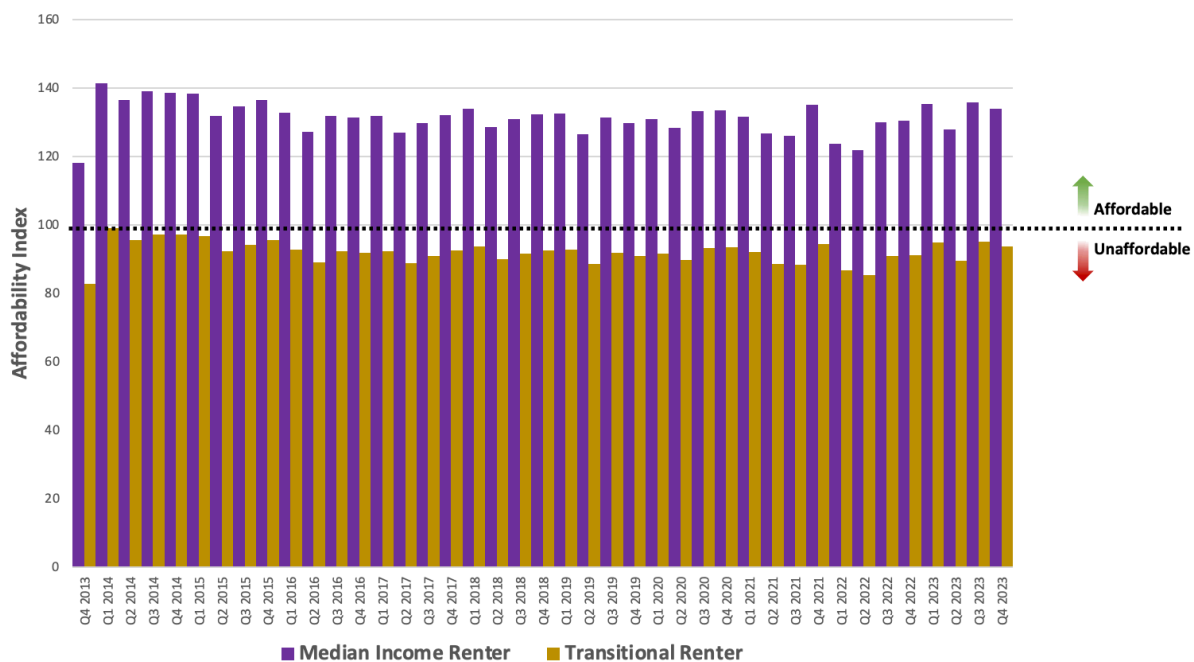
Source: WCRER.

<sup>4</sup> There is an extensive academic literature on this topic; for an overview, see Joseph Gyourko and Raven Molloy, “Regulation and housing supply,” Chapter 19 in *Handbook of Regional and Urban Economics*, edited by Gilles Duranton, J. Vernon Henderson, and William C. Strange, Elsevier, 2015, pp. 1289-1337.

<sup>5</sup> WCRER, *Washington State Housing Market Report, 4<sup>th</sup> Quarter 2023*, available at <https://wcrer.be.uw.edu>.

<sup>6</sup> WCRER’s stylized first-time buyer household is assumed to have 70% of median household income and to purchase a house valued at 85% of the median for the relevant location.

Statewide, affordability for renters has remained fairly constant over the past ten years (Figure 2). While there is significant variability in affordability levels across locations and income levels, the average-priced apartment was affordable to median-income households in all counties tracked by WCRER (i.e., those with significant apartment markets) as of the fourth quarter 2023.<sup>7</sup> The average-priced apartment was affordable to a lower-income (“transitional”) household in all except five of the 34 counties tracked by WCRER.<sup>8</sup> These statistics suggest that the state was been much more successful in maintaining the affordability of rental housing than of owner-occupied housing, possibly reflecting the impacts of multiple policies intended to promote denser, multifamily housing as a growth management goal.



**Figure 2: Statewide housing affordability indexes for apartment renters**

Source: WCRER.

### Legislation

HB 1923 was enacted in 2019 to promote the expansion of residential building capacity in urban areas.<sup>9</sup> HB 1923 amended and added new sections to several chapters of the Revised Code of Washington (RCW), including RCW 36.70A, Growth Management—Planning by Selected Counties and Cities. The new sections included RCW 36.70A.610, requiring the WCRER to prepare various

<sup>7</sup> WCRER, *Housing Affordability Indexes*, available at <https://wcrer.be.uw.edu>.

<sup>8</sup> To be affordable, rents must be no more than 30% of the relevant income level, either median household income or 70% of median household income (for the transitional household). The five counties where rents were not affordable for transitional households were Chelan, Douglas, Kittitas, Skagit, and Whatcom.

<sup>9</sup> HB 1923 refers to Engrossed Second Substitute House Bill 1923, Chapter 348, Laws of 2019.

reports related to housing supply and affordability, including a report on actions taken by cities pursuant to HB 1923.<sup>10</sup>

HB 1923 encouraged cities to take action to increase residential building capacity by implementing the following 12 types of actions (codified as RCW 36.70A.600):<sup>11</sup>

- Authorize developments of at least 500 acres surrounding commuter or light rail stations containing multifamily zones averaging at least 50 dwellings per acre and requiring no more than one parking space per two bedrooms.
- Authorize developments of at least 500 or 250 acres, depending on the population of the city, surrounding bus stops with frequent service containing multifamily zones averaging at least 25 dwellings per acre and requiring no more than one parking space per two bedrooms.
- Authorize at least one duplex, triplex, or courtyard apartment building in one or more zoning districts that permit single-family residences.
- Authorize cluster zoning or lot size averaging in all zoning districts that permit single-family residences.
- Authorize attached or detached accessory dwelling units (ADUs) on all parcels containing single-family homes, depending on the lot size. Owner occupancy, on-site parking requirements, or square foot maximums of less than 1,000 square feet are not permitted, and impact fees are limited to the cost of actual impacts.
- Adopt a subarea plan pursuant to RCW 43.21C.420. This facilitates approval of development, including affordable housing, in part by preparing a non-project environmental impact statement (EIS) for the subarea.
- Adopt a planned action pursuant to RCW 43.21C.440. This facilitates development within one-half mile of existing or planned major transit stops by eliminating requirements for EISs.
- Adopt increases in categorical exemptions to requirements for EISs for residential or mixed-use development pursuant to RCW 43.21C.229.
- Adopt a form-based code in one or more residential districts that permit residential uses.
- Authorize a duplex on each corner lot in all zoning districts that permit single-family residences.
- Allow for the division of land into the maximum number of lots (nine) through the short subdivision process provided in RCW 58.17.
- Authorize a minimum net density of six dwelling units per acre in all residential zones, where this increases the residential development capacity within the city.

HB 1923 authorized planning grants totaling \$5 million (up to \$100,000 each) for cities that were intending to either take at least two of the above-listed actions and/or prepare a Housing Action Plan. Some \$4.77 million was awarded. Housing Action Plans (HAPs) were intended “to encourage construction of additional affordable and market rate housing in a greater variety of housing types

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<sup>10</sup> This report was initially due October 2022; however, it would not have been timely at that point given the second round of grants authorized by HB 2343 (see below), and the deadline was subsequently postponed to March 2024.

<sup>11</sup> These 12 action items are paraphrased from the legislation for brevity. Some additional language is added for clarification purposes.

and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market.”<sup>12</sup>

HB 2343 subsequently amended RCW 36.70A.600, revising the list of recommended action items and expanding it to include a total of 25 items.<sup>13</sup> Among other things, the additional items were intended to:

- Facilitate the development of ADUs.
- Facilitate the conversion of single-family homes into duplexes, triplexes, or quadplexes, particularly when the resulting units would meet affordability requirements.
- Encourage adoption of procedures for administrative approval of preliminary and final subdivision plats.
- Eliminate the need for conditional use permits for various types of residential development.

HB 2343 also authorized a second round of planning grants. This round of awards, referred to as Housing Action Plan and Implementation (HAPI) grants, encouraged cities to either develop or implement a HAP. The HAPI program awarded \$5 million in grants. Between HB 1923 and HB 2343, a total of 103 municipalities received grants.<sup>14</sup> The main focus of this report is on actions taken by HB 1923 or HAPI grant recipients to implement those plans.

Subsequent legislation passed in 2023 mandated that certain jurisdictions provide for some types of housing that were previously only encouraged. Specifically, HB 1110 mandates that some cities required to plan under the Growth Management Act (GMA) must allow certain minimum densities for “middle” housing.<sup>15</sup> This requirement depends on the size of the city, the location of the lot relative to major transit stops, and affordability. Middle (or “missing middle”) housing refers to housing that falls between single-family dwellings and mid-rise, multifamily units. The category includes duplexes through sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing. With some exceptions, the minimum densities required range from two dwelling units per lot for cities with populations less than 75,000, no proximity to transit stops, and no affordable units, to six dwelling units per lot for cities with populations greater than 75,000 and proximity to a major transit stop.

Another bill passed in 2023, HB 1337, provided that a minimum of two ADUs per lot zoned for single-family use must be allowed in addition to the principal dwelling unit in urban growth areas as defined by the GMA.<sup>16</sup> Other provisions of the legislation set restrictions on requirements for minimum floor area, setbacks and other dimensional features, street improvements, design reviews, parking, and impact fees as they apply to ADUs. Owner-occupancy cannot be required for either the principal unit or ADUs; condominium sales of ADUs cannot be prohibited simply because

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<sup>12</sup> Department of Commerce, *Increasing Residential Building Capacity—E2SHB 1923 Grant Application Instructions*, Local Government Division, Growth Management Services, 2019; this document provides a detailed list of items that must be addressed in a HAP.

<sup>13</sup> HB 2343 refers to Substitute House Bill 2343, Chapter 173, Laws of 2020.

<sup>14</sup> In some cases, groups of cities were funded to create regional plans; however, the focus of this report is on actions taken by individual jurisdictions in implementation of those plans.

<sup>15</sup> HB 1110 refers to Engrossed Second Substitute House Bill 1110, Chapter 332, Laws of 2023.

<sup>16</sup> HB 1337 refers to Engrossed House Bill 1337, Chapter 332, Laws of 2023.

a unit was built as an ADU; and entities such as new subdivisions with homeowners’ associations are prohibited from limiting the construction of ADUs.

## Data Sources

We used multiple sources of data to identify actions taken by HB 1923 and HAPI grant recipients to increase residential capacity. These sources are summarized in Table 1 below. The focus is on actions taken between 2019 and early 2024 that were spurred by either of the grant programs.

**Table 1: Data sources**

Source documents	Description	Organization
Housing Incentives and Tools Surveys, 2019 and 2022	Surveys of actions taken by municipalities in the Puget Sound region prior to 2019 and between 2019 and late 2022	Puget Sound Regional Council
Washington State Housing Incentives Survey, 2024	Surveys of actions taken by municipalities outside the Puget Sound Region between 2019 and early 2024	Washington Center for Real Estate Research
PlanView	Database of municipal ordinances and other actions related to growth management	Washington Department of Commerce
HB 1923 and HAPI grant program administrative data	Lists of participating municipalities and types of actions taken	Washington Department of Commerce
Municipal ordinances and other documents	Documentation of actions taken to increase residential capacity	Various municipalities

Collectively, these sources do not necessarily provide a complete picture of actions taken by the grant recipients. Not all municipalities responded to the Puget Sound Regional Council (PSRC) or WCRER surveys, and the PlanView database relies on municipalities to voluntarily submit information about actions taken.<sup>17</sup> The administrative data maintained by the Department of Commerce provides a good summary of actions taken subsequent to receiving HB 1923 and HAPI grants, focusing on the 2019-2022 period, but there are no similar data for more recent years. Municipal documents were reviewed mainly to clarify entries in the administrative data or PlanView database, rather than to try to identify actions that were not reported.<sup>18</sup>

Another limitation of the data used for this report is that they do not measure the extent of any geographic constraints on the tools used by jurisdictions. For example, one city might implement multiple types of incentives but apply them to very limited geographical areas, such as single

<sup>17</sup> The response rate to the 2022 PSRC survey was 87% (74 of 84 jurisdictions), while the response rate to the 2024 WCRER survey was 35% (82 out of 232 jurisdictions); in the latter case, each non-responding jurisdiction received up to four email messages and one telephone call.

<sup>18</sup> WCRER is currently working with a consultant to explore the possibility of identifying municipal actions using website scraping and artificial intelligence tools; preliminary results suggest that this may be an effective way to collect relevant data.

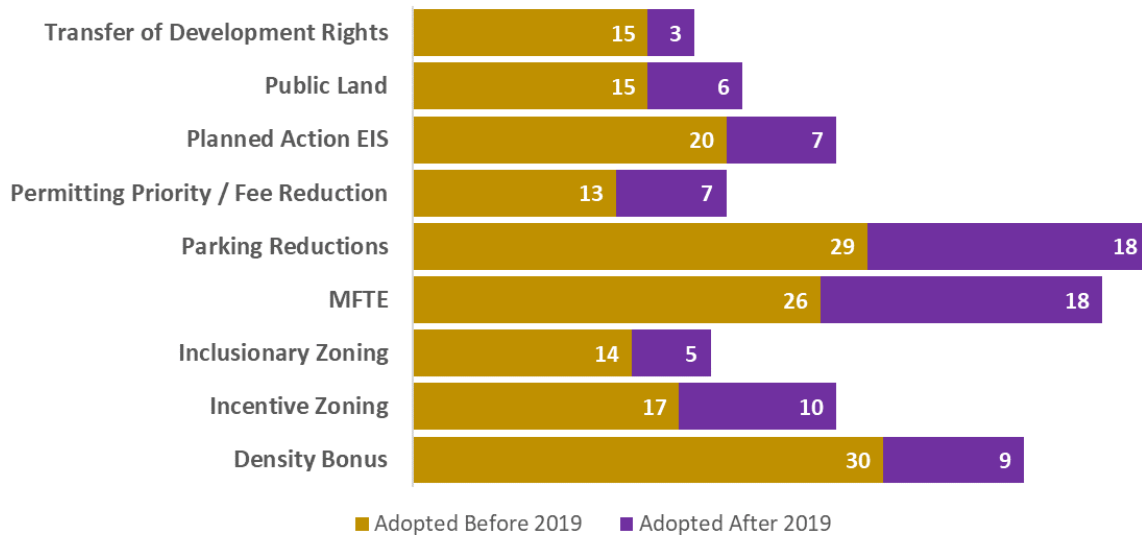
zones. Others might implement fewer types of incentives, but apply them more broadly, thereby having a greater impact on housing capacity.

A final caveat is that creating additional capacity does not necessarily mean that additional housing has been or will be built. High interest rates and increased construction costs have made it difficult for real estate development projects to “pencil” in recent years. Removal of regulatory barriers and implementation of new incentives may not be enough to overcome those constraints.

Nevertheless, we were able to identify a significant number of actions taken, which demonstrates that municipalities are engaging in activities intended to promote residential building capacity.

### PSRC Survey Data

The PSRC surveyed cities, towns, and counties within its region in 2022, following up on earlier surveys in 2009 and 2019. The survey asked about nine categories of activities that jurisdictions could pursue to increase capacity for housing development. These are listed in Figure 3, which shows the number of jurisdictions reporting each type of action in 2019 (in gold) and then in 2022 for the intervening period (in purple). Our focus is mainly on the 2022 results (post-HB 1923), but we show the 2019 results because they demonstrate that municipalities in this region were actively engaged in planning for affordable housing prior to the 2019 legislation.



**Figure 3: Number of jurisdictions responding to PSRC’s 2019 and 2022 surveys that implemented at least one action item in each category**

Notes: Action items that were adopted prior to 2019 but updated or expanded after 2019 are included in the 2022 counts. EIS refers to Environmental Impact Statement; MFTE refers to the Multifamily Housing Property Tax Exemption program.

Source: PSRC, *2022 Housing Incentives and Tools Survey*, February 2023, p. 13, available at <https://www.psrc.org/our-work/housing-incentives-and-tools-survey>.



Focusing on the 2022 survey responses, use of the incentives ranged from three jurisdictions (4% of the respondents) adopting or expanding the use of transfer of development rights (TDRs) to allow increased density for affordable housing to 18 jurisdictions (24%) reducing parking requirements and an equal number reporting the adoption or expansion of the Multifamily Housing Property Tax Exemption (MFTE) Program. Some 33 of the 74 responding jurisdictions (45%) had taken some kind of action since 2019.<sup>19</sup>

### Housing Incentives in Bothell



**Figure 4: Samma Senior Apartments, a 76-unit affordable housing project in Bothell**

Source: Marc Stiles, “Here’s what’s behind the slew of affordable housing projects in the region,” *Puget Sound Business Journal*, December 13, 2022, available at <https://www.bizjournals.com/seattle/news/2022/12/13/work-begins-affordable-housing-bothell-ski-hut.html> (rendering by Third Place Design Co-operative; reproduced with permission).

Bothell has taken significant strides in addressing the need for affordable housing by adopting a comprehensive set of incentives to increase residential density. The city has implemented provisions for inclusionary zoning, encouraging developers to include affordable housing units in their projects. This strategy ensures that, as the city grows and urbanizes, a significant share of new housing development is dedicated to providing affordable options for residents. Furthermore,

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<sup>19</sup> PSRC, *2022 Housing Incentives and Tools Survey*, February 2023, Appendix A, available at <https://www.psrc.org/our-work/housing-incentives-and-tools-survey>.

Bothell has embraced upzoning initiatives specifically tailored for affordable housing projects, allowing for increased building heights and densities in designated areas.

In addition to inclusionary zoning and upzoning, Bothell has embraced the MFTE program to incentivize the development of affordable housing. The MFTE program provides property tax breaks to owners who commit to maintaining a certain percentage of their units at affordable rental rates.

The city has tackled parking challenges associated with urban development by implementing reduced off-street parking requirements for affordable housing projects. Bothell also aims to streamline the construction process, enhancing the feasibility of affordable housing developments. The city has expedited permitting processes and offered fee reductions for affordable housing, demonstrating a commitment to removing barriers and fostering a more conducive environment for their development. Finally, Bothell has strategically leveraged public land for affordable housing, ensuring that available city-owned properties contribute to the expansion of affordable housing options for its residents. These multifaceted approaches reflect Bothell's dedication to creating a more inclusive and sustainable housing landscape.

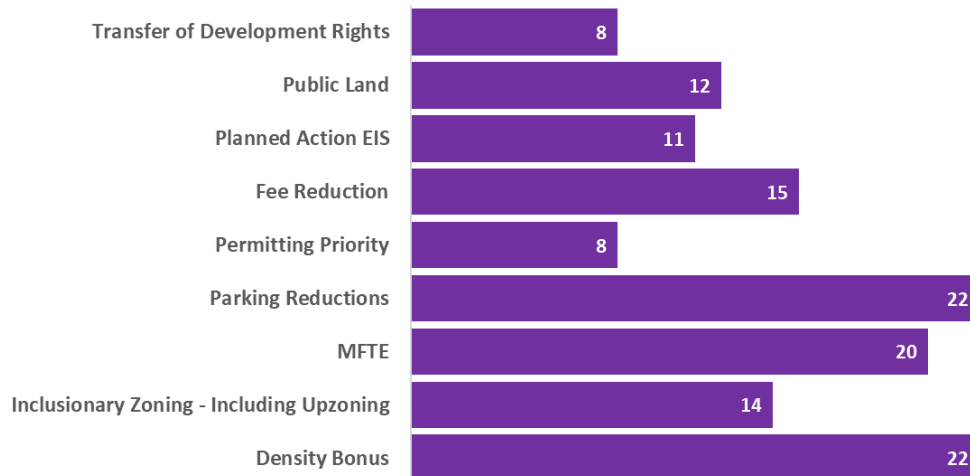
### **WCRER Survey Data**

The WCRER survey was designed to complement the PSRC survey by covering jurisdictions located outside the four Puget Sound counties (i.e., all counties except King, Kittitas, Pierce, and Snohomish). WCRER modeled its survey after PSRC's, with a couple of modifications. WCRER's survey separated permitting priority and fee reduction into two categories, while combining density bonuses and incentive zoning into a single category. Table 2 cross-references the action item categories for each survey. The "Combined" column refers to the categories used for the HB 1923 and HAPI grant recipient analysis that appears later in this report. To make use of both the PSRC and WCRER survey results, it was necessary to combine permitting priority and fee reduction into a single category in addition to combining incentive zoning and density bonuses into a single category. This resulted in the eight categories used for the HB 1923 and HAPI analysis.

**Table 2: Cross-reference of PSRC and WCRER survey action item categories**

Code	Type of action	PSRC	WCRER	Combined
A	Density bonus for affordable housing		✓	✓
A (1)	Density bonus for affordable housing	✓		
A (2)	Incentive zoning	✓		
B	Inclusionary zoning	✓	✓	✓
C	Multifamily Housing Property Tax Exemption (MFTE) program	✓	✓	✓
D	Parking requirement reductions	✓	✓	✓
E	Permitting priority or fee reduction for affordable housing	✓		✓
E (1)	Permitting priority for affordable housing		✓	
E (2)	Fee reduction for affordable housing		✓	
F	Planned action Environment Impact Statement (EIS)	✓	✓	✓
G	Public land for affordable housing	✓	✓	✓
H	Transfer of development rights for affordable housing	✓	✓	✓

The numbers of jurisdictions implementing actions in each category ranged from eight each (10% of respondents) for TDRs and permitting priority to 22 each (27% of respondents) for density bonuses and parking reductions (Figure 5). Overall, 38 jurisdictions (46%) adopted at least one action item, which is virtually the same as found in the PSRC survey.



**Figure 5: Number of jurisdictions responding to WCRER’s 2024 survey that implemented at least one action item in each category (2019 or later)**

Source: WCRER.

## Housing Incentives in Vancouver



**Figure 6: Allegro Point, a 50-unit affordable housing development in Vancouver**

Source: Will Campbell, “New apartments planned for Vancouver’s international district,” *The Columbian*, November 13, 2021, available at <https://www.columbian.com/news/2021/nov/13/new-apartments-planned-for-vancouvers-international-district/> (rendering by LSW Architects; reproduced with permission).

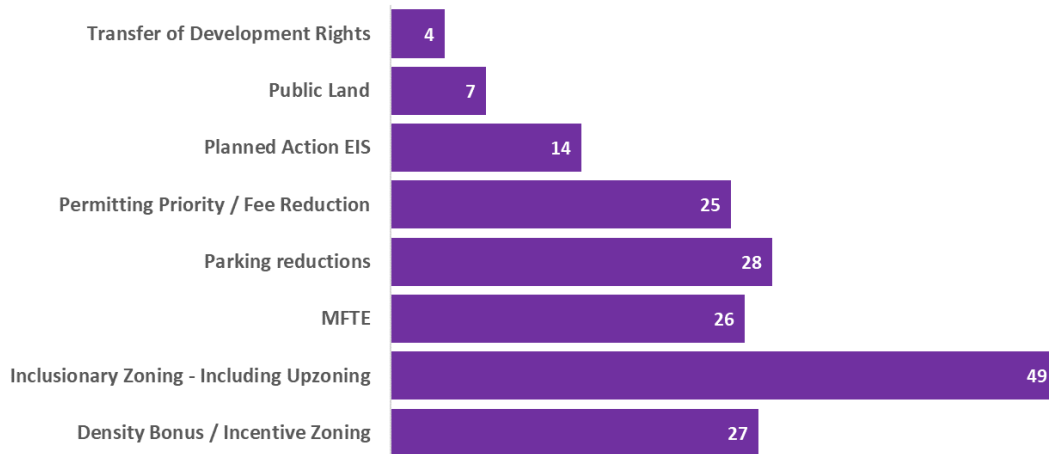
Vancouver has demonstrated a commitment to addressing the challenges of affordable housing through a multifaceted approach that includes various incentives to increase housing density. The city has implemented policies such as inclusionary zoning, encouraging developers to allocate a certain percentage of their projects for affordable housing. This strategy not only promotes social equity but also fosters mixed-income communities. In addition to redefining the minimum and maximum densities for various zoning districts, code changes allow for additional urban infill possibilities using “cottage clusters”. Vancouver has embraced upzoning specifically tailored for affordable housing initiatives, allowing for higher-density developments in targeted areas. This approach helps to maximize land use efficiency while accommodating the growing demand for affordable housing options.

Recognizing the impact of parking requirements on housing affordability, Vancouver has implemented reduced parking mandates for affordable housing developments, consistent with the unique needs of those projects. The city now allows officials to reduce parking requirements if certain criteria—such as proximity to a rapid bus line or inclusion of bicycle parking—are met. The city has also further improved the process for approving affordable housing development by offering permitting priority and fee reductions, demonstrating a commitment to expediting these projects and reducing financial barriers. Lastly, Vancouver has strategically used public land for

affordable housing, ensuring that city-owned properties contribute to the overall goal of expanding affordable housing options and promoting social inclusivity.

### Combined Data for HB 1923 and HAPI Grant Recipients

Our evaluation of HB 1923 and HAPI grant recipients combines data from all the sources listed in Table 1 above: the PSRC and WCRER surveys, PlanView, Department of Commerce administrative records, and individual jurisdictions' zoning and related ordinances. We focus on actions taken in 2019 or later. To combine the PSRC and WCRER survey data, it was necessary to reduce the number of action item categories to eight, as indicated in Table 2 above and reflected in Figure 7 below. The combined data are reproduced in Table 3 in the Appendix.



**Figure 7: Number of HB 1923 and HAPI grant recipient jurisdictions implementing at least one action item in each category (2019 or later)**

Sources: PSRC, WCRER, Department of Commerce, and municipal ordinances.

As shown in Figure 7, the most popular action category was inclusionary zoning, adopted by 45 out of 103 jurisdictions (49%). Most of the actions in this category related to upzoning to allow more dense uses; only a few municipalities adopted mandatory affordability provisions. The least popular option was TDRs, perhaps reflecting limited opportunities to take advantage of that tool, which was adopted by only four out of 103 jurisdictions (4%). Overall, 66 HB 1923 or HAPI grant recipients adopted one or more action items in at least one of the categories, representing about 64% of the total. Some 31 jurisdictions (30%) adopted action items in at least two categories. Larger municipalities tended to adopt action items in more categories than smaller ones. Municipalities in the upper quartile of the population distribution for HB 1923 and HAPI recipients (44,000 and over) adopted actions in an average of 3.1 categories, while those in the lowest quartile (less than 6,400) adopted actions in an average of 0.6 categories.



It is notable that the percentage of HB 1923 and HAPI jurisdictions taking some action exceeds, by a significant margin, the percentages found in the PSRC and WCRER surveys, both of which included jurisdictions that did not receive planning or implementation grants. This suggests that the HB 1923 and HAPI grant programs motivated at least some municipalities to plan for and implement actions that they would not have otherwise undertaken.

The maps shown in Figures 8a and 8b (see pages 16 and 17 below) show the locations of the HB 1923 and HAPI recipients (which are labeled) and the number of action item categories addressed in each municipality (ranging from 0 to 8 as reflected in the intensity of the shading). With a small number of exceptions, the jurisdictions addressing the greatest number of categories are in the main urban areas: the Puget Sound region, Spokane, and Vancouver.

### Housing Incentives in Spokane



**Figure 9: Jane Auld Manor is a 47-unit affordable housing development in northeast Spokane**

Source: City of Spokane Affordable Housing, available at <https://my.spokanecity.org/housing/affordable/> (rendering by ZBA Architecture; reproduced with permission).

Spokane has embarked on a progressive approach to address the need for affordable housing by adopting a comprehensive set of housing incentives and regulatory changes to increase housing density. This includes upzoning measures specifically tailored to incentivize affordable housing development, allowing for increased building heights and densities in designated areas. Additionally, the city has implemented the MFTE program to stimulate the construction of affordable housing, providing tax incentives to property owners who commit to offering a portion of their units at affordable rental rates.

In response to the growing needs for affordable housing and for sustainable urban development, Spokane has introduced several regulatory changes aimed at promoting higher-density housing options. Notably, the city has implemented design standards for single unit detached homes and middle housing developments, fostering a diverse range of housing types to meet the needs of various income levels and household sizes. Furthermore, Spokane has taken bold steps to reduce reliance on private vehicles by

eliminating parking requirements for residential uses within a half-mile radius of transit stops, encouraging residents to use public transportation and reducing the cost burden associated with car ownership.

To further encourage affordable housing development and enhance flexibility in land use, Spokane has removed density maximums for lots smaller than two acres and reduced lot size minimums, allowing for more efficient land use and increased housing density. The city has expanded the Unit Lot Subdivision process to enable greater site utilization, facilitating the development of affordable housing projects. Additionally, Spokane has implemented footprint and impervious surface maximums to promote environmental sustainability and mitigate the impact of urban development on natural resources. Finally, the city has increased building height allowances and reduced front and rear setbacks in some zones, encouraging vertical growth and maximizing land use efficiency while maintaining neighborhood character. These progressive measures collectively demonstrate Spokane's commitment to fostering affordable housing for all.

## **Conclusions**

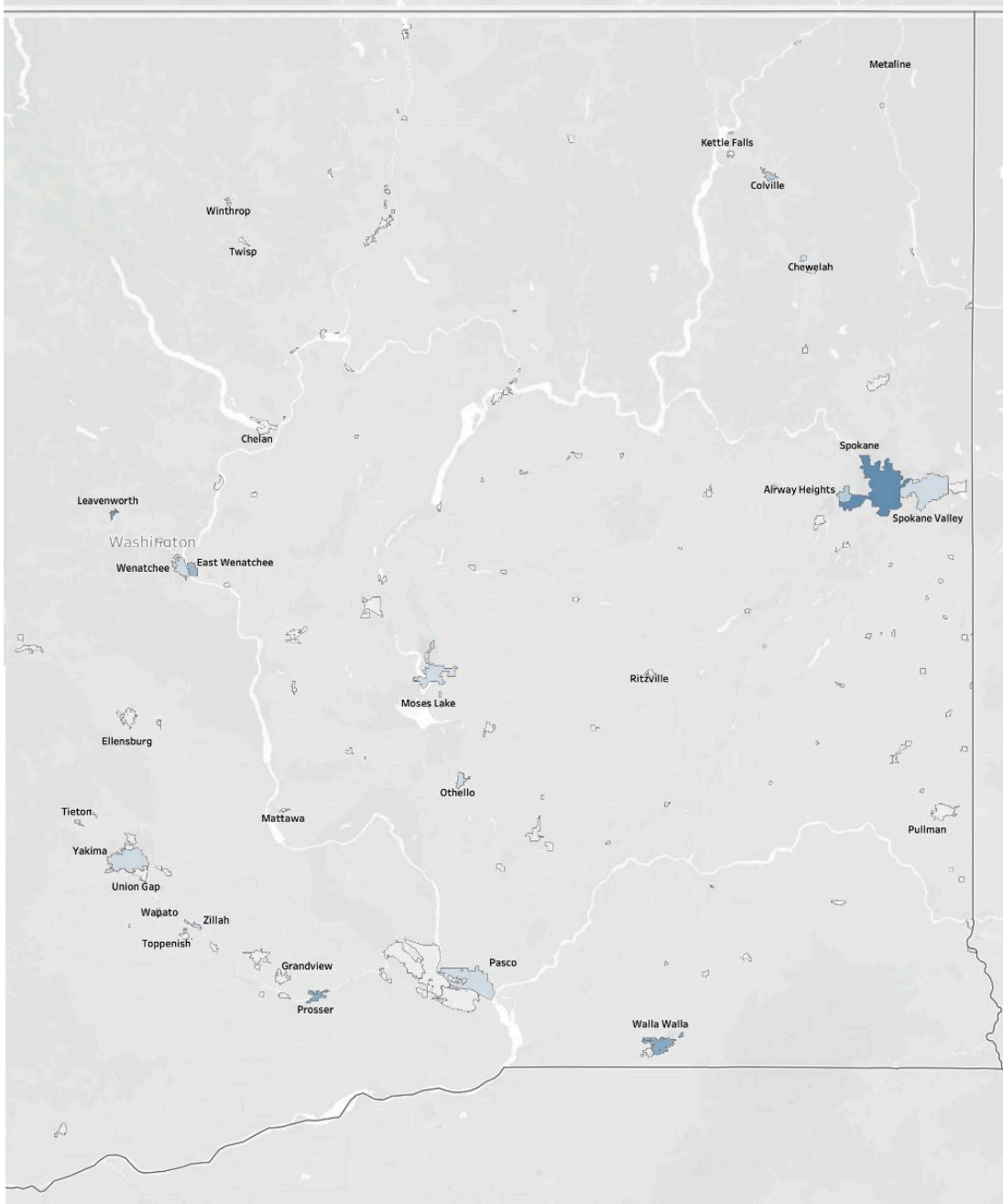
This report combines data from multiple sources to develop a picture of actions taken by recipients of HB 1923 and HAPI grants. The data sources include a survey by PSRC of jurisdictions in the Puget Sound region, a survey by WCRER of jurisdictions located elsewhere in the state, PlanView and administrative data maintained by the Washington Department of Commerce, and municipal ordinances concerned with zoning and other relevant matters. Although there are several caveats related to these sources of data, they do suggest that the HB 1923 and HAPI grant programs have been effective in encouraging municipalities to undertake actions to increase residential capacity. Some 64% of grant recipients have adopted at least one measure to promote residential capacity in their communities. This compares with 45% and 46% of the respondents to the PSRC and WCRER surveys, respectively. Both of those surveys included jurisdictions that did not receive HB 1923 or HAPI grants.

More municipalities (48% of grant recipients) took actions related to inclusionary zoning than engaged in actions related to the other categories used for this report. The next most popular categories were reductions in parking requirements (27%), density bonuses (26%), the MFTE program (25%), and permitting priority or fee reduction (24%). Least common were planned actions (14%), use of public land for affordable housing (7%), and TDRs (4%).



**Figure 8a: Number of action item categories with at least one adoption for HB 1923 and HAPI grant recipients in western Washington (2019 or later)**





**Figure 8b: Number of action item categories with at least one adoption for HB 1923 and HAPI grant recipients in eastern Washington (2019 or later)**

Notes: The boundaries of all cities and towns are shown, but only HB 1923 and HAPI recipients are labeled. The number of action item categories adopted in each location is indicated by the intensity of the shading (from lightest for 0 to darkest for 8).

Sources: PSRC, WCRER, Department of Commerce, and municipal ordinances.

## **Acknowledgments**

The authors wish to thank Anne Fritzel and Laura Hodgson of the Department of Commerce for their helpful support and feedback as well as Jackie Burkett for research assistance.



Jurisdiction	Density bonus for affordable housing	Inclusionary zoning – including upzoning for affordable housing	Multi-family Tax Exemption	Parking reductions	Permitting priority/ fee reduction for affordable housing	Planned action Environmental Impact Statement	Public land for affordable housing	Transfer of development rights for affordable housing	Total number of categories addressed
Chewelah		X							1
Colville		X		X					2
Covington		X							1
Cowlitz County									0
Des Moines									0
Duvall									0
East Wenatchee		X	X		X				3
Ellensburg									0
Everett	X	X	X		X				4
Federal Way	X	X	X	X					4
Ferndale	X		X						2
Fife		X		X	X	X			4
Fircrest		X							1
Friday Harbor									0
Gold Bar									0
Grandview									0
Issaquah		X						X	2
Kent		X	X		X				3
Kettle Falls									0
Kirkland	X	X		X	X	X	X		6
Lacey	X	X							2
Lake Stevens	X	X	X	X				X	5
Lakewood		X	X	X		X			4

Jurisdiction	Density bonus for affordable housing	Inclusionary zoning – including upzoning for affordable housing	Multi-family Tax Exemption	Parking reductions	Permitting priority/ fee reduction for affordable housing	Planned action Environmental Impact Statement	Public land for affordable housing	Transfer of development rights for affordable housing	Total number of categories addressed
Langley	X	X		X					3
Leavenworth	X	X	X	X	X				5
Lynnwood									0
Marysville	X	X	X	X		X			5
Mattawa									0
Medina									0
Metaline		X							1
Monroe									0
Moses Lake			X						1
Mount Vernon									0
Mukilteo									0
Napavine									0
North Bend	X	X		X					3
Oak Harbor	X	X							2
Olympia		X		X					2
Orting		X			X				2
Othello			X						1
Pasco		X							1
Port Angeles		X			X				2
Port Orchard		X	X	X		X			4
Poulsbo				X	X		X		3
Prosser	X	X		X	X				4
Pullman									0
Puyallup									0

Jurisdiction	Density bonus for affordable housing	Inclusionary zoning – including upzoning for affordable housing	Multi-family Tax Exemption	Parking reductions	Permitting priority/ fee reduction for affordable housing	Planned action Environmental Impact Statement	Public land for affordable housing	Transfer of development rights for affordable housing	Total number of categories addressed
Redmond		X	X						2
Renton			X		X	X	X		4
Ridgefield		X							1
Ritzville									0
Ruston									0
Sammamish	X								1
SeaTac			X						1
Seattle	X	X			X				3
Shoreline	X	X							2
Snoqualmie									0
Spokane	X	X	X	X	X	X			6
Spokane Valley						X			1
Stanwood									0
Stevenson				X					1
Sultan		X							1
Sumner	X	X	X	X	X				5
Tacoma	X		X	X	X		X		5
Tenino									0
Tieton						X			1
Toppenish									0
Tukwila			X						1
Tumwater			X		X				2
Twisp									0
Union Gap									0

Jurisdiction	Density bonus for affordable housing	Inclusionary zoning – including upzoning for affordable housing	Multi-family Tax Exemption	Parking reductions	Permitting priority/ fee reduction for affordable housing	Planned action Environmental Impact Statement	Public land for affordable housing	Transfer of development rights for affordable housing	Total number of categories addressed
University Place		X	X		X				3
Vancouver	X	X	X	X	X	X	X		7
Walla Walla	X	X	X	X					4
Wapato									0
Wenatchee		X							1
White Salmon									0
Winthrop					X				1
Woodinville									0
Woodland									0
Yakima		X							1
Yelm									0
Zillah				X					1
<b>Total</b>	<b>27</b>	<b>49</b>	<b>26</b>	<b>28</b>	<b>25</b>	<b>14</b>	<b>7</b>	<b>4</b>	

Note: An “X” indicates that the jurisdiction adopted at least one action item in the relevant category.

Source: PSRC, WCRER, and Department of Commerce.