AGENDA REPORT

FOR: City Council

TO: Dave Zabell, City Manager
    Rick White, Director
    Community & Economic Development

FROM: Jacob Gonzalez, Senior Planner
    Community & Economic Development

SUBJECT: Engrossed Second Substitute House Bill 1923 Grant Application

I. REFERENCE(S):

Authorization Letter

II. ACTION REQUESTED OF COUNCIL / STAFF RECOMMENDATIONS:

MOTION: I move to authorize the Mayor to execute the authorization letter for the grant application for E2SHB 1923 funding and submittal to the Washington State Department of Commerce.

III. FISCAL IMPACT:

None.

IV. HISTORY AND FACTS BRIEF:

The 2019 Washington State Legislature passed Engrossed Second Substitute House Bill (E2SHB) 1923 encouraging all cities planning under the Growth Management Act (GMA) to adopt actions to increase residential building capacity.

Statewide, $5 million in grant assistance was provided to encourage local cities’ participation in implementing this Act. To receive grant funds, a city must choose to adopt at least two of the actions listed in E2SHB 1923, or develop a housing action plan.

As directed in E2SHB 1923, the Washington State Department of Commerce (Commerce) has developed a grant program to ensure that grant funds awarded are proportionate to the level of effort proposed by a city, and the potential increase in residential building capacity or regulatory streamlining that could be achieved.
The following activities are eligible for funding under E2SHB 1923:

- Increase residential density near commuter or light rail stations to 50 dwelling units per acre.
- Increase residential density along high frequency transit corridors to 25 dwelling units per acre.
- Authorize at least one duplex, triplex, or courtyard apartment on each parcel 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 accessory dwelling units (ADUs) on all parcels containing single-family homes.
- Adopt a subarea plan pursuant to RCW 43.21C.420
- Adopt a planned action pursuant to RCW 43.21C.440(1)(b)(ii).
- Adopt an infill exemption under RCW 43.21C.229 for residential or mixed-use development.
- Adopt a form-based code in one or more zoning districts that permit single-family residences.
- Allow for the division or redivision of land into the maximum number of lots through the short subdivision process provided in chapter 58.17 RCW.
- Authorize a minimum net density of six dwelling units per acre in all residential zones, where the residential development capacity will increase within the City.

Grant Timeline

- October 30, 2019
  - Grant awards announced
- November 30, 2019
  - Grant agreements signed
- April 1, 2021
  - Local legislative action must be taken
- June 15, 2021
  - Grant deliverable(s) due to Commerce
- June 30, 2021
  - Grant end date

Grant funding can be used to cover expenses related to the planned actions including the hiring of consultants, staff hours, public consultation, data collection and analysis. The grant funding is structured as a performance-base contract, with the scope of work and deliverable(s) completed in order to receive payments, including the final deliverable(s).
V. DISCUSSION:

Staff has identified the following options for consideration of Council action and analysis from staff:

- Authorize at least one duplex, triplex, or courtyard apartment on each parcel 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 accessory dwelling units (ADUs) on all parcels containing single-family homes.

Submission of the grant application will require a scope of work for each planned action, and the referenced Letter of Authorization from the City of Pasco Mayor.

The contract end date will coincide with the end of the state fiscal year, June 30, 2021. If a planned action is not adopted through a new ordinance as intended, the City will not be asked to reimburse the state. Therefore, final payment, as a percentage of the overall grant award, will be contingent on the submittal of any adopted actions.
October 7, 2019

I, Matt Watkins, Mayor of Pasco, Washington, authorize the city to propose the attached scope of work and budget request for E2SHB 1923 grant funding to increase residential building capacity.

The following items are identified as actions the City of Pasco intends to take action on:

- Authorize at least one duplex, triplex, or courtyard apartment on each parcel 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 accessory dwelling units (ADUs) on all parcels containing single-family homes.

The intended actions represent an opportunity for the City of Pasco to meet Council goals for the revitalization of older neighborhoods, improve the efficiency of public and municipal resources and increase the opportunity for infill development. The expected population growth will be better accommodated by moving forward with innovative strategies identified by the intended actions in HB 1923.

The ongoing Comprehensive Plan efforts have included updated goals and policies that align with the intent of HB 1923 while recently adopted code amendments have allowed for more flexibility in housing construction via reduced lot sizes and frontages, height increases and the utilization of shared (private) access ways in hard to develop lots.

We agree to adopt the ordinances and/or plans that result from the grant, by April 1, 2021, acknowledging that, at minimum, the actions must meet the requirements of E2SHB 1923.

Sincerely,

Matt Watkins
Mayor