Unlocking Smart Growth: The Effects of Proposed Transit-Oriented Development Laws on the Puget Sound Region

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Abstract

During the 2024 legislative session in Washington State, members of the House of Representatives introduced a bill aimed at promoting community and transit-oriented housing development. This, House Bill 2160, proposed mandating cities to allow developments of a specific scale within certain distances from high-capacity transit stops. This study evaluates the extent to which the proposed increases in development capacity under this bill exceed current allowances. The findings indicate a substantial increase in development potential for the majority of areas within walking distance of transit stops. Specifically, for land that is developable and zoned for lower development capacity than what the bills propose, the average increase in capacity is projected to be an additional 1.35 floor area ratio (FAR).

Plain Language Summary

In 2024, the Washington State Legislature considered two new laws aimed at making it easier to build homes near public transit areas, like light rail stations and bus rapid transit stops. These laws would require cities to allow taller, denser buildings in these areas. Our study looked at how much more development could happen under these new laws compared to what's currently allowed. We found that, if these laws pass, there would be a lot more room for building new homes and apartments near transit stops.

About Futurewise

Futurewise is a nonprofit organization that works throughout Washington State on the implementation of the Growth Management Act (GMA). We partner with local communities to support land use policies that encourage healthy, equitable and opportunity-rich communities, and that protect our most valuable farmlands, forests and water resources. We have members across the state including the central Puget Sound region. For more information about our organization, visit our website at https://futurewise.org/.

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1 Introduction

Figure 1: Central Puget Sound | Photo courtesy of Clemens Vasters from Viersen, Germany, CC BY 2.0, via Wikimedia Commons

1.1 The Central Puget Sound Region

The Puget Sound metropolitan region is one of North America's major growth centers for people, jobs, and housing. Between 2010 and 2023, the central Puget Sound's four-county region (King, Snohomish, Pierce, and Kitsap counties) added more residents and housing units than the rest of Washington state combined.[1] According to forecasts by the Puget Sound Regional Council, the region's population is expected to grow to 5.8 million people living within 2.8 million households by 2050.(Puget Sound Regional Council, 2018)

One challenge that the central Puget Sound region faces is high, rising housing costs. The Puget Sound Regional Council's *Housing Stability Strategy: 2023 Monitoring Report* provides several sobering statistics about the region's housing costs. According to the report, during the decade between 2010 and 2020, the region added only one housing unit for every three new people that were born or moved there. By 2023, the annual income required to purchase the area's median priced home was $160,000.[2] Between July 2015 and July 2023, the median rent cost increased by 50%.(Puget Sound Regional Council, 2023)

[1] The source of these statistics are the author's analysis of postcensial estimates by the Washington State Office of Financial Management. The central Puget Sound population grew by 414,400 people between 2010 and 2023, while the rest of the state's population grew by 84,300 people. During the same period, 276,177 housing units were added in the this region, while 179,786 units were created elsewhere in the state.

[2] This estimate includes three of the four central Puget Sound counties: King, Pierce, and Snohomish.

1.2 Transit-Oriented Development

Transit-oriented development (TOD) is a strategy of building homes at or near public transportation stops and stations. In the United States, this strategy has had a complicated record—often leading to increased property values while simultaneously lowering household travel costs and reducing reliance on personal vehicles.(Lund, 2006) TOD often raises concerns about the displacement of low-income residents and small businesses, leading some local and regional governments to include affordability requirements in their TOD programs.(Dawkins & Moeckel, 2016)

While these concerns are valid, there is not an obvious, better alternative to TOD. Sharp increases in sprawling, low-density residential and commercial development in Washington during 1980s resulted in many unintended consequences, including ecological disruption, traffic congestion, urban disinvestment, and loss of agricultural lands. This led the Washington State Legislature to adopt the Growth Management Act (GMA), a law requiring cities and counties to plan to accommodate growth within designated areas (urban growth areas or UGAs).(Trohimovich, 2002) Many of the GMA's goals are highly aligned with TOD—particularly the first four goals of the law.[3]

1.3 House Bill 2160

House Bill 2160 (2023-2024 Washington State Legislative Session) proposed changes to the GMA intended to promote community and transit-oriented housing development.[4] These changes, which would apply to all cities planning under the GMA, included the following:

- Prohibiting cities from preventing the siting of multifamily housing on residential land within transit station areas
- Prohibiting cities from enacting maximum floor area ratio (FAR) regulation under the following thresholds: 3.5 FAR for station areas of light rail, commuter rail, or streetcars; 2.5 FAR for station areas of bus rapid transit
- Limits the ability of cities to require off-street parking of new residential or mixed-use projects
- Categorically exempting residential or mixed-use projects within station areas from the State Environmental Policy Act (SEPA)

The bill also proposed several requirements of residential development built within station areas, including making at least 10% of its residential units affordable.[5]

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[3] The first four goals of *RCW 36.70A.020 Planning goals* are:

> (1) Urban growth. Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner. (2) Reduce sprawl. Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development. (3) Transportation. Encourage efficient multimodal transportation systems that will reduce greenhouse gas emissions and per capita vehicle miles traveled, and are based on regional priorities and coordinated with county and city comprehensive plans. (4) Housing. Plan for and accommodate housing affordable to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.

[4] This study used the Second Substitute of House Bill 2160 as the basis for its analysis.

[5] The bill defines "Affordable housing" as:

2 Data & Methods

3 Results

4 Discussion

4.1 Limitations

- Only includes parcels where residential use is allowed
- Walksheds calculated using Euclidean distance ("as the crow flies") to parcel center, not network distance
- Assumes 100% lot coverage is allowed when no max. building footprint or max FAR
- Other development regulations (e.g., setbacks) are not reflected in the estimated FAR
- Does not account for HOA restrictions on allowed density
- Does not account for maximum unit limits
- Does not account for regulatory combinations such as max building height and max FAR
- Does not account for other restrictions on development, such as critical areas, shoreline environments, landmark designation

5 Conclusion

References

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> [R]esidential housing whose monthly costs, including utilities other than telephone, do not exceed 30 percent of the monthly income of a household whose income is: (a) For rental housing, 60 percent of the median household income-adjusted for household size, for the county where the household is located, as reported by the United States department of housing and 5urban development; or (b) For owner-occupied housing, 80 percent of the median household income adjusted for household size, for the county where 8the household is located, as reported by the United States department of housing and urban development. (Reed, 2024)

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