

SUBSTITUTE HOUSE BILL 1923

State of Washington

66th Legislature

2019 Regular Session

By House Environment & Energy (originally sponsored by Representatives Fitzgibbon, Macri, Appleton, Doglio, Dolan, Santos, and Frame)

READ FIRST TIME 02/22/19.

1 AN ACT Relating to increasing urban residential building
2 capacity; amending RCW 36.70A.280, 36.70A.280, 36.70A.290,
3 36.70A.030, 43.21C.450, 70.146.070, 43.155.070, 47.26.086,
4 43.21C.420, 36.70A.490, and 82.02.060; adding new sections to chapter
5 36.70A RCW; adding a new section to chapter 43.21C RCW; adding a new
6 section to chapter 35.21 RCW; adding a new section to chapter 35A.21
7 RCW; providing an effective date; and providing an expiration date.

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

9 NEW SECTION. **Sec. 1.** A new section is added to chapter 36.70A
10 RCW to read as follows:

11 (1) A city planning pursuant to RCW 36.70A.040 with a population
12 greater than ten thousand shall take two or more of the following
13 actions by December 31, 2022, in order to increase its residential
14 building capacity, while seeking to avoid displacement of vulnerable
15 communities:

16 (a) Authorize development of at least fifty residential units per
17 acre in locations that are located within one-half mile of a fixed
18 guideway transit station;

19 (b) Authorize at least one duplex, triplex, or courtyard
20 apartment on each parcel in one or more zoning districts that permit
21 single-family residences unless a city documents a specific

1 infrastructure of physical constraint that would make this
2 requirement unfeasible for a particular parcel;

3 (c) Require no more than one on-site parking space per two
4 dwelling units in multifamily zones that are located within one-half
5 mile of a fixed guideway transit station;

6 (d) Authorize accessory dwelling units on all lots located in
7 zoning districts that permit single-family residences;

8 (e) Adopt a planned action pursuant to RCW 43.21C.420;

9 (f) Adopt a planned action pursuant to RCW 43.21C.440(1)(b)(ii),
10 except that an environmental impact statement pursuant to RCW
11 43.21C.030 is not required for such an action;

12 (g) Adopt increases in categorical exemptions pursuant to RCW
13 43.21C.229 for residential or mixed-use development; and

14 (h) Authorize a duplex on each corner lot within all zoning
15 districts that permit single-family residences.

16 (2) A city planning pursuant to RCW 36.70A.040 with a population
17 greater than ten thousand shall take one or more of the following
18 actions by December 31, 2022, in order to increase housing
19 affordability, while seeking to avoid displacement of vulnerable
20 communities:

21 (a) Adopt an inclusionary zoning program, in which twenty-five
22 percent of the new housing capacity directed by this act consists of
23 affordable housing;

24 (b) Provide surplus property to be used for affordable housing
25 pursuant to RCW 39.33.015; or

26 (c) Enact an affordable housing levy pursuant to RCW 84.52.105.

27 (3) A city may rely on actions that take effect on or after
28 January 1, 2015, for purposes of compliance with subsections (1) and
29 (2) of this section.

30 (4) A city that is subject to subsections (1) and (2) of this
31 section that fails to comply with subsections (1) and (2) of this
32 section by December 31, 2022, shall update the housing element of its
33 comprehensive plan as required by section 2 of this act.

34 (5) Amendments to development regulations and other nonproject
35 actions taken by a city to comply with subsections (1) and (2) of
36 this section are categorically exempt from the requirements of
37 chapter 43.21C RCW.

38 (6)(a) A city that is subject to the requirements of subsections
39 (1) and (2) of this section shall certify to the department once it

1 has complied with the requirements of subsections (1) and (2) of this
2 section.

3 (b) When the department receives a certification from a city
4 pursuant to (a) of this subsection (6), the department shall confirm
5 the accuracy of the certification. Once the department has confirmed
6 the accuracy of the certification, the department shall issue a
7 letter verifying the city's compliance.

8 (c) A city that has received a letter of verification from the
9 department is eligible to receive a one-time grant of one hundred
10 thousand dollars from the department in order to support planning and
11 outreach efforts.

12 (7) A city that is subject to the requirements of subsections (1)
13 and (2) of this section that fails to comply with subsections (1) and
14 (2) of this section by December 31, 2022, may not receive grants,
15 loans, or any other form of funding from the following accounts until
16 the city certifies to the department, and the department verifies,
17 that the city has complied with subsections (1) and (2) of this
18 section: The public works assistance account established in RCW
19 43.155.050; the water quality capital account created in RCW
20 70.146.100; and the transportation improvement account created in RCW
21 47.26.084.

22 (8) In meeting the requirements of subsections (1) and (2) of
23 this section, cities are encouraged to utilize strategies that
24 increase residential building capacity in areas with frequent transit
25 service and with the transportation and utility infrastructure that
26 supports the additional residential building capacity.

27 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A
28 RCW to read as follows:

29 (1) In addition to the requirements set forth in RCW
30 36.70A.070(2) for the housing element of a comprehensive plan, the
31 cities described in subsection (2) of this section shall update the
32 housing element of their comprehensive plan as described in
33 subsection (3) of this section.

34 (2) This section applies to cities that are subject to section 1
35 (1) and (2) of this act but that fail to comply with the requirements
36 of those subsections by December 31, 2022.

37 (3) The housing element must:

38 (a) Quantify existing and projected housing needs for all income
39 levels, including extremely low-income households, with documentation

1 of housing and household characteristics, including housing stock
2 condition, overcrowding, and comparison of level of payment with
3 ability to pay;

4 (b) Include policies, regulations, and programs to conserve and
5 preserve existing private market and subsidized affordable housing
6 and existing manufactured home parks;

7 (c) In cities with populations of more than eighty thousand,
8 include policies, regulations, and programs to minimize displacement;

9 (d) If the inventory in (a) of this subsection demonstrates a
10 lack of sufficient sites to accommodate housing needs for extremely
11 low-income, very low-income, and low-income households, include a
12 program to make sufficient sites available at multifamily densities
13 available for development;

14 (e) Analyze population and employment trends, with documentation
15 of projections;

16 (f) Provide a zone where emergency shelters are permitted without
17 a discretionary review process;

18 (g) Include an eight-year schedule of programs and actions to
19 implement the policies of the housing element and to accommodate the
20 planned housing units, including incentives and funding for
21 affordable housing; and

22 (h) Review and evaluate the previous housing element, including
23 an evaluation of success in attaining planned housing units,
24 achievement of goals and policies, and implementation of the schedule
25 of programs and actions.

26 (4) The housing element update described in subsection (3) of
27 this section must be incorporated into the housing element of a
28 city's comprehensive plan by the next regularly scheduled
29 comprehensive plan update as provided in RCW 36.70A.130.

30 (5) The department shall review and, if compliant with the
31 requirements of this section and any other applicable requirements
32 within this chapter, approve the housing element of a city's
33 comprehensive plan after each periodic review required under RCW
34 36.70A.130.

35 **Sec. 3.** RCW 36.70A.280 and 2014 c 147 s 3 are each amended to
36 read as follows:

37 (1) The growth management hearings board shall hear and determine
38 only those petitions alleging either:

1 (a) That, except as provided otherwise by this subsection, a
2 state agency, county, or city planning under this chapter is not in
3 compliance with the requirements of this chapter, chapter 90.58 RCW
4 as it relates to the adoption of shoreline master programs or
5 amendments thereto, or chapter 43.21C RCW as it relates to plans,
6 development regulations, or amendments, adopted under RCW 36.70A.040
7 or chapter 90.58 RCW. Nothing in this subsection authorizes the board
8 to hear petitions alleging noncompliance with RCW 36.70A.5801;

9 (b) That the twenty-year growth management planning population
10 projections adopted by the office of financial management pursuant to
11 RCW 43.62.035 should be adjusted;

12 (c) That the approval of a work plan adopted under RCW
13 36.70A.735(1)(a) is not in compliance with the requirements of the
14 program established under RCW 36.70A.710;

15 (d) That regulations adopted under RCW 36.70A.735(1)(b) are not
16 regionally applicable and cannot be adopted, wholly or partially, by
17 another jurisdiction;

18 (e) That a department certification under RCW 36.70A.735(1)(c) is
19 erroneous; (~~or~~)

20 (f) That a department certification of the housing element under
21 section 2 of this act is erroneous; or

22 (g) That a department determination under RCW 36.70A.060(1)(d) is
23 erroneous.

24 (2) A petition may be filed only by: (a) The state, or a county
25 or city that plans under this chapter; (b) a person who has
26 participated orally or in writing before the county or city regarding
27 the matter on which a review is being requested; (c) a person who is
28 certified by the governor within sixty days of filing the request
29 with the board; or (d) a person qualified pursuant to RCW 34.05.530.

30 (3) For purposes of this section "person" means any individual,
31 partnership, corporation, association, state agency, governmental
32 subdivision or unit thereof, or public or private organization or
33 entity of any character.

34 (4) To establish participation standing under subsection (2)(b)
35 of this section, a person must show that his or her participation
36 before the county or city was reasonably related to the person's
37 issue as presented to the board.

38 (5) When considering a possible adjustment to a growth management
39 planning population projection prepared by the office of financial

1 management, the board shall consider the implications of any such
2 adjustment to the population forecast for the entire state.

3 The rationale for any adjustment that is adopted by the board
4 must be documented and filed with the office of financial management
5 within ten working days after adoption.

6 If adjusted by the board, a county growth management planning
7 population projection shall only be used for the planning purposes
8 set forth in this chapter and shall be known as the "board adjusted
9 population projection." None of these changes shall affect the
10 official state and county population forecasts prepared by the office
11 of financial management, which shall continue to be used for state
12 budget and planning purposes.

13 **Sec. 4.** RCW 36.70A.280 and 2011 c 360 s 17 are each amended to
14 read as follows:

15 (1) The growth management hearings board shall hear and determine
16 only those petitions alleging either:

17 (a) That, except as provided otherwise by this subsection, a
18 state agency, county, or city planning under this chapter is not in
19 compliance with the requirements of this chapter, chapter 90.58 RCW
20 as it relates to the adoption of shoreline master programs or
21 amendments thereto, or chapter 43.21C RCW as it relates to plans,
22 development regulations, or amendments, adopted under RCW 36.70A.040
23 or chapter 90.58 RCW. Nothing in this subsection authorizes the board
24 to hear petitions alleging noncompliance with RCW 36.70A.5801;

25 (b) That the twenty-year growth management planning population
26 projections adopted by the office of financial management pursuant to
27 RCW 43.62.035 should be adjusted;

28 (c) That the approval of a work plan adopted under RCW
29 36.70A.735(1)(a) is not in compliance with the requirements of the
30 program established under RCW 36.70A.710;

31 (d) That regulations adopted under RCW 36.70A.735(1)(b) are not
32 regionally applicable and cannot be adopted, wholly or partially, by
33 another jurisdiction; (~~or~~)

34 (e) That a department certification under RCW 36.70A.735(1)(c) is
35 erroneous; or

36 (f) That a department certification of the housing element under
37 section 2 of this act is erroneous.

38 (2) A petition may be filed only by: (a) The state, or a county
39 or city that plans under this chapter; (b) a person who has

1 participated orally or in writing before the county or city regarding
2 the matter on which a review is being requested; (c) a person who is
3 certified by the governor within sixty days of filing the request
4 with the board; or (d) a person qualified pursuant to RCW 34.05.530.

5 (3) For purposes of this section "person" means any individual,
6 partnership, corporation, association, state agency, governmental
7 subdivision or unit thereof, or public or private organization or
8 entity of any character.

9 (4) To establish participation standing under subsection (2)(b)
10 of this section, a person must show that his or her participation
11 before the county or city was reasonably related to the person's
12 issue as presented to the board.

13 (5) When considering a possible adjustment to a growth management
14 planning population projection prepared by the office of financial
15 management, the board shall consider the implications of any such
16 adjustment to the population forecast for the entire state.

17 The rationale for any adjustment that is adopted by the board
18 must be documented and filed with the office of financial management
19 within ten working days after adoption.

20 If adjusted by the board, a county growth management planning
21 population projection shall only be used for the planning purposes
22 set forth in this chapter and shall be known as the "board adjusted
23 population projection." None of these changes shall affect the
24 official state and county population forecasts prepared by the office
25 of financial management, which shall continue to be used for state
26 budget and planning purposes.

27 **Sec. 5.** RCW 36.70A.290 and 2011 c 277 s 1 are each amended to
28 read as follows:

29 (1) All requests for review to the growth management hearings
30 board shall be initiated by filing a petition that includes a
31 detailed statement of issues presented for resolution by the board.
32 The board shall render written decisions articulating the basis for
33 its holdings. The board shall not issue advisory opinions on issues
34 not presented to the board in the statement of issues, as modified by
35 any prehearing order.

36 (2) All petitions relating to whether or not an adopted
37 comprehensive plan, development regulation, or permanent amendment
38 thereto, is in compliance with the goals and requirements of this
39 chapter or chapter 90.58 or 43.21C RCW must be filed within sixty

1 days after publication as provided in (a) through (c) of this
2 subsection.

3 (a) Except as provided in (c) of this subsection, the date of
4 publication for a city shall be the date the city publishes the
5 ordinance, or summary of the ordinance, adopting the comprehensive
6 plan or development regulations, or amendment thereto, as is required
7 to be published.

8 (b) Promptly after adoption, a county shall publish a notice that
9 it has adopted the comprehensive plan or development regulations, or
10 amendment thereto.

11 Except as provided in (c) of this subsection, for purposes of
12 this section the date of publication for a county shall be the date
13 the county publishes the notice that it has adopted the comprehensive
14 plan or development regulations, or amendment thereto.

15 (c) For local governments planning under RCW 36.70A.040, promptly
16 after approval or disapproval of a local government's shoreline
17 master program or amendment thereto by the department of ecology as
18 provided in RCW 90.58.090, the department of ecology shall publish a
19 notice that the shoreline master program or amendment thereto has
20 been approved or disapproved. For purposes of this section, the date
21 of publication for the adoption or amendment of a shoreline master
22 program is the date the department of ecology publishes notice that
23 the shoreline master program or amendment thereto has been approved
24 or disapproved.

25 (d) For local governments planning under RCW 36.70A.040, promptly
26 after approval or disapproval of a local government's housing element
27 by the department as provided in section 2 of this act, the
28 department shall publish a notice that the housing element has been
29 approved or disapproved. For purposes of this section, the date of
30 publication for the adoption or amendment of a housing element is the
31 date that the department publishes notice that the housing element
32 has been approved or disapproved.

33 (3) Unless the board dismisses the petition as frivolous or finds
34 that the person filing the petition lacks standing, or the parties
35 have filed an agreement to have the case heard in superior court as
36 provided in RCW 36.70A.295, the board shall, within ten days of
37 receipt of the petition, set a time for hearing the matter.

38 (4) The board shall base its decision on the record developed by
39 the city, county, or the state and supplemented with additional
40 evidence if the board determines that such additional evidence would

1 be necessary or of substantial assistance to the board in reaching
2 its decision.

3 (5) The board, shall consolidate, when appropriate, all petitions
4 involving the review of the same comprehensive plan or the same
5 development regulation or regulations.

6 **Sec. 6.** RCW 36.70A.030 and 2017 3rd sp.s. c 18 s 2 are each
7 amended to read as follows:

8 Unless the context clearly requires otherwise, the definitions in
9 this section apply throughout this chapter.

10 (1) "Adopt a comprehensive land use plan" means to enact a new
11 comprehensive land use plan or to update an existing comprehensive
12 land use plan.

13 (2) "Agricultural land" means land primarily devoted to the
14 commercial production of horticultural, viticultural, floricultural,
15 dairy, apiary, vegetable, or animal products or of berries, grain,
16 hay, straw, turf, seed, Christmas trees not subject to the excise tax
17 imposed by RCW 84.33.100 through 84.33.140, finfish in upland
18 hatcheries, or livestock, and that has long-term commercial
19 significance for agricultural production.

20 (3) "City" means any city or town, including a code city.

21 (4) "Comprehensive land use plan," "comprehensive plan," or
22 "plan" means a generalized coordinated land use policy statement of
23 the governing body of a county or city that is adopted pursuant to
24 this chapter.

25 (5) "Critical areas" include the following areas and ecosystems:

26 (a) Wetlands; (b) areas with a critical recharging effect on aquifers
27 used for potable water; (c) fish and wildlife habitat conservation
28 areas; (d) frequently flooded areas; and (e) geologically hazardous
29 areas. "Fish and wildlife habitat conservation areas" does not
30 include such artificial features or constructs as irrigation delivery
31 systems, irrigation infrastructure, irrigation canals, or drainage
32 ditches that lie within the boundaries of and are maintained by a
33 port district or an irrigation district or company.

34 (6) "Department" means the department of commerce.

35 (7) "Development regulations" or "regulation" means the controls
36 placed on development or land use activities by a county or city,
37 including, but not limited to, zoning ordinances, critical areas
38 ordinances, shoreline master programs, official controls, planned
39 unit development ordinances, subdivision ordinances, and binding site

1 plan ordinances together with any amendments thereto. A development
2 regulation does not include a decision to approve a project permit
3 application, as defined in RCW 36.70B.020, even though the decision
4 may be expressed in a resolution or ordinance of the legislative body
5 of the county or city.

6 (8) "Forestland" means land primarily devoted to growing trees
7 for long-term commercial timber production on land that can be
8 economically and practically managed for such production, including
9 Christmas trees subject to the excise tax imposed under RCW 84.33.100
10 through 84.33.140, and that has long-term commercial significance. In
11 determining whether forestland is primarily devoted to growing trees
12 for long-term commercial timber production on land that can be
13 economically and practically managed for such production, the
14 following factors shall be considered: (a) The proximity of the land
15 to urban, suburban, and rural settlements; (b) surrounding parcel
16 size and the compatibility and intensity of adjacent and nearby land
17 uses; (c) long-term local economic conditions that affect the ability
18 to manage for timber production; and (d) the availability of public
19 facilities and services conducive to conversion of forestland to
20 other uses.

21 (9) "Freight rail dependent uses" means buildings and other
22 infrastructure that are used in the fabrication, processing, storage,
23 and transport of goods where the use is dependent on and makes use of
24 an adjacent short line railroad. Such facilities are both urban and
25 rural development for purposes of this chapter. "Freight rail
26 dependent uses" does not include buildings and other infrastructure
27 that are used in the fabrication, processing, storage, and transport
28 of coal, liquefied natural gas, or "crude oil" as defined in RCW
29 90.56.010.

30 (10) "Geologically hazardous areas" means areas that because of
31 their susceptibility to erosion, sliding, earthquake, or other
32 geological events, are not suited to the siting of commercial,
33 residential, or industrial development consistent with public health
34 or safety concerns.

35 (11) "Long-term commercial significance" includes the growing
36 capacity, productivity, and soil composition of the land for long-
37 term commercial production, in consideration with the land's
38 proximity to population areas, and the possibility of more intense
39 uses of the land.

1 (12) "Minerals" include gravel, sand, and valuable metallic
2 substances.

3 (13) "Public facilities" include streets, roads, highways,
4 sidewalks, street and road lighting systems, traffic signals,
5 domestic water systems, storm and sanitary sewer systems, parks and
6 recreational facilities, and schools.

7 (14) "Public services" include fire protection and suppression,
8 law enforcement, public health, education, recreation, environmental
9 protection, and other governmental services.

10 (15) "Recreational land" means land so designated under RCW
11 36.70A.1701 and that, immediately prior to this designation, was
12 designated as agricultural land of long-term commercial significance
13 under RCW 36.70A.170. Recreational land must have playing fields and
14 supporting facilities existing before July 1, 2004, for sports played
15 on grass playing fields.

16 (16) "Rural character" refers to the patterns of land use and
17 development established by a county in the rural element of its
18 comprehensive plan:

19 (a) In which open space, the natural landscape, and vegetation
20 predominate over the built environment;

21 (b) That foster traditional rural lifestyles, rural-based
22 economies, and opportunities to both live and work in rural areas;

23 (c) That provide visual landscapes that are traditionally found
24 in rural areas and communities;

25 (d) That are compatible with the use of the land by wildlife and
26 for fish and wildlife habitat;

27 (e) That reduce the inappropriate conversion of undeveloped land
28 into sprawling, low-density development;

29 (f) That generally do not require the extension of urban
30 governmental services; and

31 (g) That are consistent with the protection of natural surface
32 water flows and groundwater and surface water recharge and discharge
33 areas.

34 (17) "Rural development" refers to development outside the urban
35 growth area and outside agricultural, forest, and mineral resource
36 lands designated pursuant to RCW 36.70A.170. Rural development can
37 consist of a variety of uses and residential densities, including
38 clustered residential development, at levels that are consistent with
39 the preservation of rural character and the requirements of the rural

1 element. Rural development does not refer to agriculture or forestry
2 activities that may be conducted in rural areas.

3 (18) "Rural governmental services" or "rural services" include
4 those public services and public facilities historically and
5 typically delivered at an intensity usually found in rural areas, and
6 may include domestic water systems, fire and police protection
7 services, transportation and public transit services, and other
8 public utilities associated with rural development and normally not
9 associated with urban areas. Rural services do not include storm or
10 sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).

11 (19) "Short line railroad" means those railroad lines designated
12 class II or class III by the United States surface transportation
13 board.

14 (20) "Urban governmental services" or "urban services" include
15 those public services and public facilities at an intensity
16 historically and typically provided in cities, specifically including
17 storm and sanitary sewer systems, domestic water systems, street
18 cleaning services, fire and police protection services, public
19 transit services, and other public utilities associated with urban
20 areas and normally not associated with rural areas.

21 (21) "Urban growth" refers to growth that makes intensive use of
22 land for the location of buildings, structures, and impermeable
23 surfaces to such a degree as to be incompatible with the primary use
24 of land for the production of food, other agricultural products, or
25 fiber, or the extraction of mineral resources, rural uses, rural
26 development, and natural resource lands designated pursuant to RCW
27 36.70A.170. A pattern of more intensive rural development, as
28 provided in RCW 36.70A.070(5)(d), is not urban growth. When allowed
29 to spread over wide areas, urban growth typically requires urban
30 governmental services. "Characterized by urban growth" refers to land
31 having urban growth located on it, or to land located in relationship
32 to an area with urban growth on it as to be appropriate for urban
33 growth.

34 (22) "Urban growth areas" means those areas designated by a
35 county pursuant to RCW 36.70A.110.

36 (23) "Wetland" or "wetlands" means areas that are inundated or
37 saturated by surface water or groundwater at a frequency and duration
38 sufficient to support, and that under normal circumstances do
39 support, a prevalence of vegetation typically adapted for life in
40 saturated soil conditions. Wetlands generally include swamps,

1 marshes, bogs, and similar areas. Wetlands do not include those
2 artificial wetlands intentionally created from nonwetland sites,
3 including, but not limited to, irrigation and drainage ditches,
4 grass-lined swales, canals, detention facilities, wastewater
5 treatment facilities, farm ponds, and landscape amenities, or those
6 wetlands created after July 1, 1990, that were unintentionally
7 created as a result of the construction of a road, street, or
8 highway. Wetlands may include those artificial wetlands intentionally
9 created from nonwetland areas created to mitigate conversion of
10 wetlands.

11 (24) "Affordable housing" means, unless the context clearly
12 indicates otherwise, residential housing whose monthly costs,
13 including utilities other than telephone, do not exceed thirty
14 percent of the monthly income of a household whose income is sixty
15 percent of the median family income adjusted for family size, for the
16 county where the household is located, as reported by the United
17 States department of housing and urban development.

18 (25) "Extremely low-income household" means a single person,
19 family, or unrelated persons living together whose adjusted income is
20 at or below thirty percent of the median family income adjusted for
21 family size, for the county where the household is located, as
22 reported by the United States department of housing and urban
23 development.

24 (26) "Low-income household" means a single person, family, or
25 unrelated persons living together whose adjusted income is at or
26 below eighty percent of the median family income adjusted for family
27 size, for the county where the household is located, as reported by
28 the United States department of housing and urban development.

29 (27) "Very low-income household" means a single person, family,
30 or unrelated persons living together whose adjusted income is at or
31 below fifty percent of the median family income adjusted for family
32 size, for the county where the household is located, as reported by
33 the United States department of housing and urban development.

34 **Sec. 7.** RCW 43.21C.450 and 2012 1st sp.s. c 1 s 307 are each
35 amended to read as follows:

36 The following nonproject actions are categorically exempt from
37 the requirements of this chapter:

38 (1) Amendments to development regulations that are required to
39 ensure consistency with an adopted comprehensive plan pursuant to RCW

1 36.70A.040, where the comprehensive plan was previously subjected to
2 environmental review pursuant to this chapter and the impacts
3 associated with the proposed regulation were specifically addressed
4 in the prior environmental review;

5 (2) Amendments to development regulations that are required to
6 ensure consistency with a shoreline master program approved pursuant
7 to RCW 90.58.090, where the shoreline master program was previously
8 subjected to environmental review pursuant to this chapter and the
9 impacts associated with the proposed regulation were specifically
10 addressed in the prior environmental review;

11 (3) Amendments to development regulations that, upon
12 implementation of a project action, will provide increased
13 environmental protection, limited to the following:

14 (a) Increased protections for critical areas, such as enhanced
15 buffers or setbacks;

16 (b) Increased vegetation retention or decreased impervious
17 surface areas in shoreline jurisdiction; and

18 (c) Increased vegetation retention or decreased impervious
19 surface areas in critical areas;

20 (4) Amendments to technical codes adopted by a county, city, or
21 town to ensure consistency with minimum standards contained in state
22 law, including the following:

23 (a) Building codes required by chapter 19.27 RCW;

24 (b) Energy codes required by chapter 19.27A RCW; and

25 (c) Electrical codes required by chapter 19.28 RCW;

26 (5) Amendments to development regulations in order to comply with
27 section 1 of this act.

28 NEW SECTION. **Sec. 8.** A new section is added to chapter 36.70A
29 RCW to read as follows:

30 In counties and cities planning under RCW 36.70A.040, minimum
31 residential parking requirements mandated by municipal zoning
32 ordinances are subject to the following requirements:

33 (1) For affordable housing units that are located within one-
34 quarter mile of a transit stop that receives transit service at least
35 four times per hour for twelve or more hours per day, minimum
36 residential parking requirements may be no greater than one parking
37 space per bedroom.

38 (2) For housing units that are specifically for seniors or people
39 with disabilities, that are located within one-quarter mile of a

1 transit stop that receives transit service at least four times per
2 hour for twelve or more hours per day, no minimum residential parking
3 requirement may be imposed.

4 **Sec. 9.** RCW 70.146.070 and 2013 c 275 s 4 are each amended to
5 read as follows:

6 (1) When making grants or loans for water pollution control
7 facilities, the department shall consider the following:

8 (a) The protection of water quality and public health;

9 (b) The cost to residential ratepayers if they had to finance
10 water pollution control facilities without state assistance;

11 (c) Actions required under federal and state permits and
12 compliance orders;

13 (d) The level of local fiscal effort by residential ratepayers
14 since 1972 in financing water pollution control facilities;

15 (e) Except as otherwise conditioned by RCW 70.146.110, whether
16 the entity receiving assistance is a Puget Sound partner, as defined
17 in RCW 90.71.010;

18 (f) Whether the project is referenced in the action agenda
19 developed by the Puget Sound partnership under RCW 90.71.310;

20 (g) Except as otherwise provided in RCW 70.146.120, and effective
21 one calendar year following the development and statewide
22 availability of model evergreen community management plans and
23 ordinances under RCW 35.105.050, whether the project is sponsored by
24 an entity that has been recognized, and what gradation of recognition
25 was received, in the evergreen community recognition program created
26 in RCW 35.105.030;

27 (h) The extent to which the applicant county or city, or if the
28 applicant is another public body, the extent to which the county or
29 city in which the applicant public body is located, has established
30 programs to mitigate nonpoint pollution of the surface or
31 subterranean water sought to be protected by the water pollution
32 control facility named in the application for state assistance; and

33 (i) The recommendations of the Puget Sound partnership, created
34 in RCW 90.71.210, and any other board, council, commission, or group
35 established by the legislature or a state agency to study water
36 pollution control issues in the state.

37 (2) Except where necessary to address a public health need or
38 substantial environmental degradation, a county, city, or town
39 planning under RCW 36.70A.040 may not receive a grant or loan for

1 water pollution control facilities unless it has adopted a
2 comprehensive plan, including a capital facilities plan element, and
3 development regulations as required by RCW 36.70A.040. A county,
4 city, or town that has adopted a comprehensive plan and development
5 regulations as provided in RCW 36.70A.040 may request a grant or loan
6 for water pollution control facilities. This subsection does not
7 require any county, city, or town planning under RCW 36.70A.040 to
8 adopt a comprehensive plan or development regulations before
9 requesting a grant or loan under this chapter if such request is made
10 before the expiration of the time periods specified in RCW
11 36.70A.040. A county, city, or town planning under RCW 36.70A.040
12 that has not adopted a comprehensive plan and development regulations
13 within the time periods specified in RCW 36.70A.040 is not prohibited
14 from receiving a grant or loan under this chapter if the
15 comprehensive plan and development regulations are adopted as
16 required by RCW 36.70A.040 before the department executes a
17 contractual agreement for the grant or loan.

18 (3) Whenever the department is considering awarding grants or
19 loans for public facilities to special districts requesting funding
20 for a proposed facility located in a county, city, or town planning
21 under RCW 36.70A.040, it shall consider whether the county, city, or
22 town planning under RCW 36.70A.040 in whose planning jurisdiction the
23 proposed facility is located has adopted a comprehensive plan and
24 development regulations as required by RCW 36.70A.040.

25 (4) The department may not award a grant or loan for a public
26 facility located in a city subject to the requirements of section 1
27 (1) and (2) of this act unless the city has certified to the
28 department of commerce that it is in compliance with section 1 (1)
29 and (2) of this act, as appropriate.

30 (5) After January 1, 2010, any project designed to address the
31 effects of water pollution on Puget Sound may be funded under this
32 chapter only if the project is not in conflict with the action agenda
33 developed by the Puget Sound partnership under RCW 90.71.310.

34 **Sec. 10.** RCW 43.155.070 and 2017 3rd sp.s. c 10 s 9 are each
35 amended to read as follows:

36 (1) To qualify for financial assistance under this chapter the
37 board must determine that a local government meets all of the
38 following conditions:

1 (a) The city or county must be imposing a tax under chapter 82.46
2 RCW at a rate of at least one-quarter of one percent;

3 (b) The local government must have developed a capital facility
4 plan; and

5 (c) The local government must be using all local revenue sources
6 which are reasonably available for funding public works, taking into
7 consideration local employment and economic factors.

8 (2) Except where necessary to address a public health need or
9 substantial environmental degradation, a county, city, or town
10 planning under RCW 36.70A.040 may not receive financial assistance
11 under this chapter unless it has adopted a comprehensive plan,
12 including a capital facilities plan element, and development
13 regulations as required by RCW 36.70A.040. This subsection does not
14 require any county, city, or town planning under RCW 36.70A.040 to
15 adopt a comprehensive plan or development regulations before
16 requesting or receiving financial assistance under this chapter if
17 such request is made before the expiration of the time periods
18 specified in RCW 36.70A.040. A county, city, or town planning under
19 RCW 36.70A.040 that has not adopted a comprehensive plan and
20 development regulations within the time periods specified in RCW
21 36.70A.040 may apply for and receive financial assistance under this
22 chapter if the comprehensive plan and development regulations are
23 adopted as required by RCW 36.70A.040 before executing a contractual
24 agreement for financial assistance with the board.

25 (3) In considering awarding financial assistance for public
26 facilities to special districts requesting funding for a proposed
27 facility located in a county, city, or town planning under RCW
28 36.70A.040, the board must consider whether the county, city, or town
29 planning under RCW 36.70A.040 in whose planning jurisdiction the
30 proposed facility is located has adopted a comprehensive plan and
31 development regulations as required by RCW 36.70A.040.

32 (4) The board may not award financial assistance for a proposed
33 facility located in a city subject to the requirements of section 1
34 (1) and (2) of this act unless the city has certified to the
35 department of commerce that it is in compliance with section 1 (1)
36 and (2) of this act, as appropriate.

37 (5)(a) The board must develop a process to prioritize
38 applications and funding of loans and grants for public works
39 projects submitted by local governments. The board must consider, at

1 a minimum and in any order, the following factors in prioritizing
2 projects:

3 (i) Whether the project is critical in nature and would affect
4 the health and safety of many people;

5 (ii) The extent to which the project leverages other funds;

6 (iii) The extent to which the project is ready to proceed to
7 construction;

8 (iv) Whether the project is located in an area of high
9 unemployment, compared to the average state unemployment;

10 (v) Whether the project promotes the sustainable use of resources
11 and environmental quality, as applicable;

12 (vi) Whether the project consolidates or regionalizes systems;

13 (vii) Whether the project encourages economic development through
14 mixed-use and mixed income development consistent with chapter 36.70A
15 RCW;

16 (viii) Whether the system is being well-managed in the present
17 and for long-term sustainability;

18 (ix) Achieving equitable distribution of funds by geography and
19 population;

20 (x) The extent to which the project meets the following state
21 policy objectives:

22 (A) Efficient use of state resources;

23 (B) Preservation and enhancement of health and safety;

24 (C) Abatement of pollution and protection of the environment;

25 (D) Creation of new, family-wage jobs, and avoidance of shifting
26 existing jobs from one Washington state community to another;

27 (E) Fostering economic development consistent with chapter 36.70A
28 RCW;

29 (F) Efficiency in delivery of goods and services and
30 transportation; and

31 (G) Reduction of the overall cost of public infrastructure;

32 (xi) Whether the applicant sought or is seeking funding for the
33 project from other sources; and

34 (xii) Other criteria that the board considers necessary to
35 achieve the purposes of this chapter.

36 (b) Before September 1, 2018, and each year thereafter, the board
37 must develop and submit a report regarding the construction loans and
38 grants to the office of financial management and appropriate fiscal
39 committees of the senate and house of representatives. The report
40 must include:

1 (i) The total number of applications and amount of funding
2 requested for public works projects;

3 (ii) A list and description of projects approved in the preceding
4 fiscal year with project scores against the board's prioritization
5 criteria;

6 (iii) The total amount of loan and grants disbursements made from
7 the public works assistance account in the preceding fiscal year;

8 (iv) The total amount of loan repayments in the preceding fiscal
9 year for outstanding loans from the public works assistance account;

10 (v) The total amount of loan repayments due for outstanding loans
11 for each fiscal year over the following ten-year period; and

12 (vi) The total amount of funds obligated and timing of when the
13 funds were obligated in the preceding fiscal year.

14 (c) The maximum amount of funding that the board may provide for
15 any jurisdiction is ten million dollars per biennium.

16 ~~((5))~~ (6) Existing debt or financial obligations of local
17 governments may not be refinanced under this chapter. Each local
18 government applicant must provide documentation of attempts to secure
19 additional local or other sources of funding for each public works
20 project for which financial assistance is sought under this chapter.

21 ~~((6))~~ (7) Before September 1st of each year, the board must
22 develop and submit to the appropriate fiscal committees of the senate
23 and house of representatives a description of the loans and grants
24 made under RCW 43.155.065 and 43.155.068.

25 ~~((7))~~ (8) The board may not sign contracts or otherwise
26 financially obligate funds from the public works assistance account
27 before the legislature has appropriated funds to the board for the
28 purpose of funding public works projects under this chapter.

29 ~~((8))~~ (9) To qualify for loans, grants, or pledges for solid
30 waste or recycling facilities under this chapter, a city or county
31 must demonstrate that the solid waste or recycling facility is
32 consistent with and necessary to implement the comprehensive solid
33 waste management plan adopted by the city or county under chapter
34 70.95 RCW.

35 ~~((9))~~ (10) After January 1, 2010, any project designed to
36 address the effects of stormwater or wastewater on Puget Sound may be
37 funded under this section only if the project is not in conflict with
38 the action agenda developed by the Puget Sound partnership under RCW
39 90.71.310.

1 ~~((10))~~ (11) For projects involving repair, replacement, or
2 improvement of a wastewater treatment plant or other public works
3 facility for which an investment grade efficiency audit is reasonably
4 obtainable, the public works board must require as a contract
5 condition that the project sponsor undertake an investment grade
6 efficiency audit. The project sponsor may finance the costs of the
7 audit as part of its public works assistance account program loan or
8 grant.

9 ~~((11))~~ (12) The board must implement policies and procedures
10 designed to maximize local government consideration of other funds to
11 finance local infrastructure.

12 **Sec. 11.** RCW 47.26.086 and 2011 c 120 s 7 are each amended to
13 read as follows:

14 Transportation improvement account projects selected for funding
15 programs after fiscal year 1995 are governed by the requirements of
16 this section.

17 The board shall allocate funds from the account by June 30th of
18 each year for the ensuing fiscal year to urban counties, cities with
19 a population of five thousand and over, and to transportation benefit
20 districts. Projects may include, but are not limited to, multiagency
21 projects and arterial improvement projects in fast-growing areas. The
22 board shall endeavor to provide geographical diversity in selecting
23 improvement projects to be funded from the account.

24 To be eligible to receive these funds, a project must be
25 consistent with the Growth Management Act, the Clean Air Act
26 including conformity, and the Commute Trip Reduction Law and
27 consideration must have been given to the project's relationship,
28 both actual and potential, with the statewide rail passenger program
29 and rapid mass transit. For a project located in a city that is
30 subject to the requirements of section 1 (1) and (2) of this act, the
31 city must certify to the department of commerce that it is in
32 compliance with section 1 (1) and (2) of this act, as appropriate, in
33 order for the project to be eligible to receive these funds. Projects
34 must be consistent with any adopted high capacity transportation
35 plan, must consider existing or reasonably foreseeable congestion
36 levels attributable to economic development or growth and all modes
37 of transportation and safety, and must be partially funded by local
38 government or private contributions, or a combination of such
39 contributions. Priority consideration shall be given to those

1 projects with the greatest percentage of local or private
2 contribution, or both.

3 Within one year after board approval of an application for
4 funding, the lead agency shall provide written certification to the
5 board of the pledged local and private funding for the phase of the
6 project approved. Funds allocated to an applicant that does not
7 certify its funding within one year after approval may be reallocated
8 by the board.

9 NEW SECTION. **Sec. 12.** A new section is added to chapter 43.21C
10 RCW to read as follows:

11 (1) A project action implementing section 1 of this act and
12 evaluated under this chapter by a city, town, or county planning
13 under RCW 36.70A.040 is exempt from appeals under this chapter on the
14 basis of the evaluation of or impacts to transportation elements of
15 the environment, so long as the project does not present significant
16 adverse impacts to the state-owned transportation system as
17 determined by the department of transportation and the project is:

18 (a) (i) Consistent with a locally adopted transportation plan; or

19 (ii) Consistent with the transportation element of a
20 comprehensive plan; and

21 (b) (i) A project for which traffic or parking impact fees are
22 imposed pursuant to RCW 82.02.050 through 82.02.090; or

23 (ii) A project for which traffic or parking impacts are expressly
24 mitigated by an ordinance, or ordinances, of general application
25 adopted by the city, town, or county.

26 (2) For purposes of this section, "impacts to transportation
27 elements of the environment" include impacts to transportation
28 systems; vehicular traffic; waterborne, rail, and air traffic;
29 parking; movement or circulation of people or goods; and traffic
30 hazards.

31 **Sec. 13.** RCW 43.21C.420 and 2010 c 153 s 2 are each amended to
32 read as follows:

33 (1) Cities with a population greater than five thousand, in
34 accordance with their existing comprehensive planning and development
35 regulation authority under chapter 36.70A RCW, and in accordance with
36 this section, may adopt optional elements of their comprehensive
37 plans and optional development regulations that apply within
38 specified subareas of the cities, that are either:

1 (a) Areas designated as mixed-use or urban centers in a land use
2 or transportation plan adopted by a regional transportation planning
3 organization; or

4 (b) Areas within one-half mile of a major transit stop that are
5 zoned to have an average minimum density of fifteen dwelling units or
6 more per gross acre.

7 (2) Cities located on the east side of the Cascade mountains and
8 located in a county with a population of two hundred thirty thousand
9 or less, in accordance with their existing comprehensive planning and
10 development regulation authority under chapter 36.70A RCW, and in
11 accordance with this section, may adopt optional elements of their
12 comprehensive plans and optional development regulations that apply
13 within the mixed-use or urban centers. The optional elements of their
14 comprehensive plans and optional development regulations must enhance
15 pedestrian, bicycle, transit, or other nonvehicular transportation
16 methods.

17 (3) A major transit stop is defined as:

18 (a) A stop on a high capacity transportation service funded or
19 expanded under the provisions of chapter 81.104 RCW;

20 (b) Commuter rail stops;

21 (c) Stops on rail or fixed guideway systems, including
22 transitways;

23 (d) Stops on bus rapid transit routes or routes that run on high
24 occupancy vehicle lanes; or

25 (e) Stops for a bus or other transit mode providing fixed route
26 service at intervals of at least thirty minutes during the peak hours
27 of operation.

28 (4)(a) A city that elects to adopt such an optional comprehensive
29 plan element and optional development regulations shall prepare a
30 nonproject environmental impact statement, pursuant to RCW
31 43.21C.030, assessing and disclosing the probable significant adverse
32 environmental impacts of the optional comprehensive plan element and
33 development regulations and of future development that is consistent
34 with the plan and regulations.

35 (b) At least one community meeting must be held on the proposed
36 subarea plan before the scoping notice for such a nonproject
37 environmental impact statement is issued. Notice of scoping for such
38 a nonproject environmental impact statement and notice of the
39 community meeting required by this section must be mailed to all
40 property owners of record within the subarea to be studied, to all

1 property owners within one hundred fifty feet of the boundaries of
2 such a subarea, to all affected federally recognized tribal
3 governments whose ceded area is within one-half mile of the
4 boundaries of the subarea, and to agencies with jurisdiction over the
5 future development anticipated within the subarea.

6 ~~(c) ((In cities with over five hundred thousand residents, notice
7 of scoping for such a nonproject environmental impact statement and
8 notice of the community meeting required by this section must be
9 mailed to all small businesses as defined in RCW 19.85.020, and to
10 all community preservation and development authorities established
11 under chapter 43.167 RCW, located within the subarea to be studied or
12 within one hundred fifty feet of the boundaries of such subarea. The
13 process for community involvement must have the goal of fair
14 treatment and meaningful involvement of all people with respect to
15 the development and implementation of the subarea planning process.~~

16 ~~(d))~~ The notice of the community meeting must include general
17 illustrations and descriptions of buildings generally representative
18 of the maximum building envelope that will be allowed under the
19 proposed plan and indicate that future appeals of proposed
20 developments that are consistent with the plan will be limited.
21 Notice of the community meeting must include signs located on major
22 travel routes in the subarea. If the building envelope increases
23 during the process, another notice complying with the requirements of
24 this section must be issued before the next public involvement
25 opportunity.

26 ~~((e))~~ (d) Any person that has standing to appeal the adoption
27 of this subarea plan or the implementing regulations under RCW
28 36.70A.280 has standing to bring an appeal of the nonproject
29 environmental impact statement required by this subsection.

30 ~~((f) Cities with over five hundred thousand residents shall
31 prepare a study that accompanies or is appended to the nonproject
32 environmental impact statement, but must not be part of that
33 statement, that analyzes the extent to which the proposed subarea
34 plan may result in the displacement or fragmentation of existing
35 businesses, existing residents, including people living with poverty,
36 families with children, and intergenerational households, or cultural
37 groups within the proposed subarea plan. The city shall also discuss
38 the results of the analysis at the community meeting.~~

39 ~~(g))~~ (e) As an incentive for development authorized under this
40 section, a city shall consider establishing a transfer of development

1 rights program in consultation with the county where the city is
2 located, that conserves county-designated agricultural and forestland
3 of long-term commercial significance. If the city decides not to
4 establish a transfer of development rights program, the city must
5 state in the record the reasons for not adopting the program. The
6 city's decision not to establish a transfer of development rights
7 program is not subject to appeal. Nothing in this subsection (4)
8 (~~(g)~~) (e) may be used as a basis to challenge the optional
9 comprehensive plan or subarea plan policies authorized under this
10 section.

11 (5) (a) Until July 1, (~~2018~~) 2029, a proposed development that
12 meets the criteria of (b) of this subsection may not be challenged in
13 administrative or judicial appeals for noncompliance with this
14 chapter as long as a complete application for such a development that
15 vests the application or would later lead to vested status under city
16 or state law is submitted to the city within a time frame established
17 by the city, but not to exceed the following time frames:

18 (i) Nineteen years from the date of issuance of the final
19 environmental impact statement, for projects that are consistent with
20 an optional element adopted by a city as of the effective date of
21 this section; or

22 (ii) Ten years from the date of issuance of the final
23 environmental impact statement, for projects that are consistent with
24 an optional element adopted by a city after the effective date of
25 this section.

26 (b) A proposed development may not be challenged, consistent with
27 the timelines established in (a) of this subsection, so long as the
28 development:

29 (i) Is consistent with the optional comprehensive plan or subarea
30 plan policies and development regulations adopted under subsection
31 (1) or (2) of this section;

32 (ii) Sets aside or requires the occupancy of at least ten percent
33 of the dwelling units, or a greater percentage as determined by city
34 development regulations, within the development for low-income
35 households at a sale price or rental amount that is considered
36 affordable by a city's housing programs. This subsection (5) (b) (ii)
37 applies only to projects that are consistent with an optional element
38 adopted by a city pursuant to this section after the effective date
39 of this section; and (~~that~~)

1 (iii) Is environmentally reviewed under subsection (4) of this
2 section (~~(may not be challenged in administrative or judicial appeals~~
3 ~~for noncompliance with this chapter as long as a complete application~~
4 ~~for such a development that vests the application or would later lead~~
5 ~~to vested status under city or state law is submitted to the city~~
6 ~~within a time frame established by the city, but not to exceed ten~~
7 ~~years from the date of issuance of the final environmental impact~~
8 ~~statement)).~~

9 ~~((b))~~ (c) After July 1, ~~((2018))~~ 2029, the immunity from
10 appeals under this chapter of any application that vests or will vest
11 under this subsection or the ability to vest under this subsection is
12 still valid, provided that the final subarea environmental impact
13 statement is issued by July 1, ~~((2018))~~ 2029. After July 1, ~~((2018))~~
14 2029, a city may continue to collect reimbursement fees under
15 subsection (6) of this section for the proportionate share of a
16 subarea environmental impact statement issued prior to July 1,
17 ~~((2018))~~ 2029.

18 (6) It is recognized that a city that prepares a nonproject
19 environmental impact statement under subsection (4) of this section
20 must endure a substantial financial burden. A city may recover or
21 apply for a grant or loan to prospectively cover its reasonable
22 expenses of preparation of a nonproject environmental impact
23 statement prepared under subsection (4) of this section through
24 access to financial assistance under RCW 36.70A.490 or funding from
25 private sources. In addition, a city is authorized to recover a
26 portion of its reasonable expenses of preparation of such a
27 nonproject environmental impact statement by the assessment of
28 reasonable and proportionate fees upon subsequent development that is
29 consistent with the plan and development regulations adopted under
30 subsection (5) of this section, as long as the development makes use
31 of and benefits ~~((from))~~ from, as described in subsection (5) of
32 this section, ~~((from))~~ the nonproject environmental impact statement
33 prepared by the city. Any assessment fees collected from subsequent
34 development may be used to reimburse funding received from private
35 sources. In order to collect such fees, the city must enact an
36 ordinance that sets forth objective standards for determining how the
37 fees to be imposed upon each development will be proportionate to the
38 impacts of each development and to the benefits accruing to each
39 development from the nonproject environmental impact statement. Any
40 disagreement about the reasonableness or amount of the fees imposed

1 upon a development may not be the basis for delay in issuance of a
2 project permit for that development. The fee assessed by the city may
3 be paid with the written stipulation "paid under protest" and if the
4 city provides for an administrative appeal of its decision on the
5 project for which the fees are imposed, any dispute about the amount
6 of the fees must be resolved in the same administrative appeal
7 process.

8 (7) If a proposed development is inconsistent with the optional
9 comprehensive plan or subarea plan policies and development
10 regulations adopted under subsection (1) of this section, the city
11 shall require additional environmental review in accordance with this
12 chapter.

13 **Sec. 14.** RCW 36.70A.490 and 2012 1st sp.s. c 1 s 309 are each
14 amended to read as follows:

15 The growth management planning and environmental review fund is
16 hereby established in the state treasury. Moneys may be placed in the
17 fund from the proceeds of bond sales, tax revenues, budget transfers,
18 federal appropriations, gifts, or any other lawful source. Moneys in
19 the fund may be spent only after appropriation. Moneys in the fund
20 shall be used to make grants or loans to local governments for the
21 purposes set forth in RCW 43.21C.240, 43.21C.031, or 36.70A.500, and
22 to cover costs associated with the adoption of optional elements of
23 comprehensive plans consistent with RCW 43.21C.420. Any payment of
24 either principal or interest, or both, derived from loans made from
25 this fund must be deposited into the fund.

26 NEW SECTION. **Sec. 15.** A new section is added to chapter 35.21
27 RCW to read as follows:

28 Permanent supportive housing shall be a permitted use in all
29 areas where multifamily housing is permitted.

30 NEW SECTION. **Sec. 16.** A new section is added to chapter 35A.21
31 RCW to read as follows:

32 Permanent supportive housing shall be a permitted use in all
33 areas where multifamily housing is permitted.

34 **Sec. 17.** RCW 82.02.060 and 2012 c 200 s 1 are each amended to
35 read as follows:

36 The local ordinance by which impact fees are imposed:

1 (1) Shall include a schedule of impact fees which shall be
2 adopted for each type of development activity that is subject to
3 impact fees, specifying the amount of the impact fee to be imposed
4 for each type of system improvement. The schedule shall be based upon
5 a formula or other method of calculating such impact fees. In
6 determining proportionate share, the formula or other method of
7 calculating impact fees shall incorporate, among other things, the
8 following:

9 (a) The cost of public facilities necessitated by new
10 development;

11 (b) An adjustment to the cost of the public facilities for past
12 or future payments made or reasonably anticipated to be made by new
13 development to pay for particular system improvements in the form of
14 user fees, debt service payments, taxes, or other payments earmarked
15 for or proratable to the particular system improvement;

16 (c) The availability of other means of funding public facility
17 improvements;

18 (d) The cost of existing public facilities improvements; and

19 (e) The methods by which public facilities improvements were
20 financed;

21 (2) May provide an exemption for low-income housing, and other
22 development activities with broad public purposes, from these impact
23 fees, provided that the impact fees for such development activity
24 shall be paid from public funds other than impact fee accounts;

25 (3) May provide an exemption from impact fees for low-income
26 housing. Local governments that grant exemptions for low-income
27 housing under this subsection (3) may either: Grant a partial
28 exemption of not more than eighty percent of impact fees, in which
29 case there is no explicit requirement to pay the exempted portion of
30 the fee from public funds other than impact fee accounts; or provide
31 a full waiver, in which case the remaining percentage of the exempted
32 fee must be paid from public funds other than impact fee accounts. An
33 exemption for low-income housing granted under subsection (2) of this
34 section or this subsection (3) must be conditioned upon requiring the
35 developer to record a covenant that, except as provided otherwise by
36 this subsection, prohibits using the property for any purpose other
37 than for low-income housing. At a minimum, the covenant must address
38 price restrictions and household income limits for the low-income
39 housing, and that if the property is converted to a use other than
40 for low-income housing, the property owner must pay the applicable

1 impact fees in effect at the time of conversion. Covenants required
2 by this subsection must be recorded with the applicable county
3 auditor or recording officer. A local government granting an
4 exemption under subsection (2) of this section or this subsection (3)
5 for low-income housing may not collect revenue lost through granting
6 an exemption by increasing impact fees unrelated to the exemption. A
7 school district who receives school impact fees must approve any
8 exemption under subsection (2) of this section or this subsection
9 (3);

10 (4) May not charge a higher per unit fee for multifamily
11 residential construction than for single-family residential
12 construction;

13 (5) Shall provide a credit for the value of any dedication of
14 land for, improvement to, or new construction of any system
15 improvements provided by the developer, to facilities that are
16 identified in the capital facilities plan and that are required by
17 the county, city, or town as a condition of approving the development
18 activity;

19 ~~((+5))~~ (6) Shall allow the county, city, or town imposing the
20 impact fees to adjust the standard impact fee at the time the fee is
21 imposed to consider unusual circumstances in specific cases to ensure
22 that impact fees are imposed fairly;

23 ~~((+6))~~ (7) Shall include a provision for calculating the amount
24 of the fee to be imposed on a particular development that permits
25 consideration of studies and data submitted by the developer to
26 adjust the amount of the fee;

27 ~~((+7))~~ (8) Shall establish one or more reasonable service areas
28 within which it shall calculate and impose impact fees for various
29 land use categories per unit of development; ~~((and~~

30 ~~+8))~~ (9) May provide for the imposition of an impact fee for
31 system improvement costs previously incurred by a county, city, or
32 town to the extent that new growth and development will be served by
33 the previously constructed improvements provided such fee shall not
34 be imposed to make up for any system improvement deficiencies; and

35 (10) May not impose impact fees that cumulatively amount to more
36 than fifty thousand dollars for any single-family residential
37 project.

38 For purposes of this section, "low-income housing" means housing
39 with a monthly housing expense, that is no greater than thirty
40 percent of eighty percent of the median family income adjusted for

1 family size, for the county where the project is located, as reported
2 by the United States department of housing and urban development.

3 NEW SECTION. **Sec. 18.** Section 4 of this act takes effect
4 December 31, 2020.

5 NEW SECTION. **Sec. 19.** Section 3 of this act expires December
6 31, 2020.

--- END ---