
HOUSE BILL 1923

State of Washington

66th Legislature

2019 Regular Session

By Representatives Fitzgibbon, Macri, Appleton, Doglio, Dolan, Santos, and Frame

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1 AN ACT Relating to increasing urban residential building
2 capacity; amending RCW 36.70A.030, 43.21C.450, 70.146.070,
3 43.155.070, 47.26.086, 43.21C.420, 36.70A.490, and 82.02.060;
4 reenacting and amending RCW 36.70A.070; adding new sections to
5 chapter 36.70A RCW; adding a new section to chapter 43.21C RCW; and
6 adding a new section to chapter 35.21 RCW.

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

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

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

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

17 (b) Authorize at least one duplex, triplex, or courtyard
18 apartment on each parcel in one or more single-family residential
19 zones unless a city documents a specific infrastructure of physical
20 constraint that would make this requirement unfeasible for a
21 particular parcel;

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

4 (d) Authorize accessory dwelling units on all lots located in
5 single-family residential zoning districts;

6 (e) Adopt a planned action pursuant to RCW 43.21C.420, except
7 that an environmental impact statement pursuant to RCW 43.21C.030 is
8 not required for such an action;

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

12 (g) Adapt the maximum feasible number of categorical exemptions
13 pursuant to RCW 43.21C.229 for single-family and multifamily
14 development.

15 (2) A city planning pursuant to RCW 36.70A.040 with a population
16 greater than ten thousand shall take two or more of the following
17 actions by December 31, 2022, in order to increase housing
18 affordability:

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

22 (b) Take some other action to address affordability for very low-
23 income households.

24 (3) A city that is subject to subsections (1) and (2) of this
25 section that fails to comply with subsections (1) and (2) of this
26 section by December 31, 2021, shall update the housing element of its
27 comprehensive plan as required by RCW 36.70A.070.

28 (4) The actions taken by a city to comply with subsections (1)
29 and (2) of this section are not subject to appeal under chapter
30 43.21C RCW.

31 (5)(a) A city that is subject to the requirements of subsections
32 (1) and (2) of this section shall certify to the department once it
33 has complied with the requirements of subsections (1) and (2) of this
34 section.

35 (b) When the department receives a certification from a city
36 pursuant to (a) of this subsection (5), the department shall take
37 such investigative steps as are necessary to confirm the accuracy of
38 the certification. Once the department has confirmed the accuracy of
39 the certification, the department shall issue a letter verifying the
40 city's compliance.

1 (c) A city who has received a letter of verification from the
2 department is eligible to receive a one-time grant from the
3 department of one hundred thousand dollars in order to support
4 planning and outreach efforts.

5 (6) A city that is subject to the requirements of subsections (1)
6 and (2) of this section that fails to comply with subsections (1) and
7 (2) of this section by December 31, 2021, may not receive grants,
8 loans, or any other form of funding from the following accounts until
9 the city certifies to the department that the city has complied with
10 subsections (1) and (2) of this section: The public works assistance
11 account established in RCW 43.155.050; the water quality capital
12 account created in RCW 70.146.100; or the transportation improvement
13 account created in RCW 47.26.084.

14 (7) In meeting the requirements of subsections (1) and (2) of
15 this section, cities are encouraged to utilize strategies that
16 increase residential building capacity in areas with frequent transit
17 service and with the transportation and utility infrastructure that
18 supports the additional residential building capacity.

19 **Sec. 2.** RCW 36.70A.070 and 2017 3rd sp.s. c 18 s 4 and 2017 3rd
20 sp.s. c 16 s 4 are each reenacted and amended to read as follows:

21 The comprehensive plan of a county or city that is required or
22 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,
23 and descriptive text covering objectives, principles, and standards
24 used to develop the comprehensive plan. The plan shall be an
25 internally consistent document and all elements shall be consistent
26 with the future land use map. A comprehensive plan shall be adopted
27 and amended with public participation as provided in RCW 36.70A.140.
28 Each comprehensive plan shall include a plan, scheme, or design for
29 each of the following:

30 (1) A land use element designating the proposed general
31 distribution and general location and extent of the uses of land,
32 where appropriate, for agriculture, timber production, housing,
33 commerce, industry, recreation, open spaces, general aviation
34 airports, public utilities, public facilities, and other land uses.
35 The land use element shall include population densities, building
36 intensities, and estimates of future population growth. The land use
37 element shall provide for protection of the quality and quantity of
38 groundwater used for public water supplies. Wherever possible, the
39 land use element should consider utilizing urban planning approaches

1 that promote physical activity. Where applicable, the land use
2 element shall review drainage, flooding, and storm water run-off in
3 the area and nearby jurisdictions and provide guidance for corrective
4 actions to mitigate or cleanse those discharges that pollute waters
5 of the state, including Puget Sound or waters entering Puget Sound.

6 (2)(a) A housing element ensuring the vitality and character of
7 established residential neighborhoods that: ~~((a))~~ (i) Includes an
8 inventory and analysis of existing and projected housing needs that
9 identifies the number of housing units necessary to manage projected
10 growth and quantifies existing and projected housing needs for all
11 income levels, including extremely low-income households, with
12 documentation of housing and household characteristics, including
13 housing stock condition, overcrowding, and comparison of level of
14 payment with ability to pay; ~~((b))~~ (ii) includes a statement of
15 goals, policies, objectives, and mandatory provisions for the
16 preservation, improvement, and development of housing, including
17 single-family residences; ~~((c))~~ (iii) includes policies,
18 regulations, and programs to conserve and preserve existing private
19 market and subsidized affordable housing and existing manufactured
20 home parks. In cities with populations of more than eighty thousand,
21 the housing element must include policies, regulations, and programs
22 to minimize displacement; (iv) identifies sufficient land for
23 housing, including, but not limited to, government-assisted housing,
24 housing for low-income families, manufactured housing, multifamily
25 housing, and group homes and foster care facilities. If the inventory
26 in (a) of this subsection demonstrates a lack of sufficient sites to
27 accommodate housing needs for extremely low-income, very low-income,
28 and low-income households, the housing element must include a program
29 to make sufficient sites available at multifamily densities available
30 for development; ~~((and—(d))~~ (v) makes adequate provisions for
31 existing and projected needs of all economic segments of the
32 community; (vi) analyzes population and employment trends, with
33 documentation of projections; (vii) provides a zone where emergency
34 shelters are permitted without a discretionary review process; (viii)
35 includes an eight-year schedule of programs and actions to implement
36 the policies of the housing element and to accommodate the planned
37 housing units, including incentives and funding for affordable
38 housing; and (ix) reviews and evaluates the previous housing element,
39 including an evaluation of success in attaining planned housing
40 units, achievement of goals and policies, and implementation of the

1 schedule of programs and actions. In counties and cities subject to
2 the review and evaluation requirements of RCW 36.70A.215, any
3 revision to the housing element shall include consideration of prior
4 review and evaluation reports and any reasonable measures identified.

5 (b) The department must review and, if compliant with the
6 requirements of this subsection, approve the housing element of each
7 planning jurisdiction after each periodic review required under RCW
8 36.70A.130.

9 (3) A capital facilities plan element consisting of: (a) An
10 inventory of existing capital facilities owned by public entities,
11 showing the locations and capacities of the capital facilities; (b) a
12 forecast of the future needs for such capital facilities; (c) the
13 proposed locations and capacities of expanded or new capital
14 facilities; (d) at least a six-year plan that will finance such
15 capital facilities within projected funding capacities and clearly
16 identifies sources of public money for such purposes; and (e) a
17 requirement to reassess the land use element if probable funding
18 falls short of meeting existing needs and to ensure that the land use
19 element, capital facilities plan element, and financing plan within
20 the capital facilities plan element are coordinated and consistent.
21 Park and recreation facilities shall be included in the capital
22 facilities plan element.

23 (4) A utilities element consisting of the general location,
24 proposed location, and capacity of all existing and proposed
25 utilities, including, but not limited to, electrical lines,
26 telecommunication lines, and natural gas lines.

27 (5) Rural element. Counties shall include a rural element
28 including lands that are not designated for urban growth,
29 agriculture, forest, or mineral resources. The following provisions
30 shall apply to the rural element:

31 (a) Growth management act goals and local circumstances. Because
32 circumstances vary from county to county, in establishing patterns of
33 rural densities and uses, a county may consider local circumstances,
34 but shall develop a written record explaining how the rural element
35 harmonizes the planning goals in RCW 36.70A.020 and meets the
36 requirements of this chapter.

37 (b) Rural development. The rural element shall permit rural
38 development, forestry, and agriculture in rural areas. The rural
39 element shall provide for a variety of rural densities, uses,
40 essential public facilities, and rural governmental services needed

1 to serve the permitted densities and uses. To achieve a variety of
2 rural densities and uses, counties may provide for clustering,
3 density transfer, design guidelines, conservation easements, and
4 other innovative techniques that will accommodate appropriate rural
5 economic advancement, densities, and uses that are not characterized
6 by urban growth and that are consistent with rural character.

7 (c) Measures governing rural development. The rural element shall
8 include measures that apply to rural development and protect the
9 rural character of the area, as established by the county, by:

10 (i) Containing or otherwise controlling rural development;

11 (ii) Assuring visual compatibility of rural development with the
12 surrounding rural area;

13 (iii) Reducing the inappropriate conversion of undeveloped land
14 into sprawling, low-density development in the rural area;

15 (iv) Protecting critical areas, as provided in RCW 36.70A.060,
16 and surface water and groundwater resources; and

17 (v) Protecting against conflicts with the use of agricultural,
18 forest, and mineral resource lands designated under RCW 36.70A.170.

19 (d) Limited areas of more intensive rural development. Subject to
20 the requirements of this subsection and except as otherwise
21 specifically provided in this subsection (5)(d), the rural element
22 may allow for limited areas of more intensive rural development,
23 including necessary public facilities and public services to serve
24 the limited area as follows:

25 (i) Rural development consisting of the infill, development, or
26 redevelopment of existing commercial, industrial, residential, or
27 mixed-use areas, whether characterized as shoreline development,
28 villages, hamlets, rural activity centers, or crossroads
29 developments.

30 (A) A commercial, industrial, residential, shoreline, or mixed-
31 use area are subject to the requirements of (d)(iv) of this
32 subsection, but are not subject to the requirements of (c)(ii) and
33 (iii) of this subsection.

34 (B) Any development or redevelopment other than an industrial
35 area or an industrial use within a mixed-use area or an industrial
36 area under this subsection (5)(d)(i) must be principally designed to
37 serve the existing and projected rural population.

38 (C) Any development or redevelopment in terms of building size,
39 scale, use, or intensity shall be consistent with the character of
40 the existing areas. Development and redevelopment may include changes

1 in use from vacant land or a previously existing use so long as the
2 new use conforms to the requirements of this subsection (5);

3 (ii) The intensification of development on lots containing, or
4 new development of, small-scale recreational or tourist uses,
5 including commercial facilities to serve those recreational or
6 tourist uses, that rely on a rural location and setting, but that do
7 not include new residential development. A small-scale recreation or
8 tourist use is not required to be principally designed to serve the
9 existing and projected rural population. Public services and public
10 facilities shall be limited to those necessary to serve the
11 recreation or tourist use and shall be provided in a manner that does
12 not permit low-density sprawl;

13 (iii) The intensification of development on lots containing
14 isolated nonresidential uses or new development of isolated cottage
15 industries and isolated small-scale businesses that are not
16 principally designed to serve the existing and projected rural
17 population and nonresidential uses, but do provide job opportunities
18 for rural residents. Rural counties may allow the expansion of small-
19 scale businesses as long as those small-scale businesses conform with
20 the rural character of the area as defined by the local government
21 according to RCW 36.70A.030(16). Rural counties may also allow new
22 small-scale businesses to utilize a site previously occupied by an
23 existing business as long as the new small-scale business conforms to
24 the rural character of the area as defined by the local government
25 according to RCW 36.70A.030(16). Public services and public
26 facilities shall be limited to those necessary to serve the isolated
27 nonresidential use and shall be provided in a manner that does not
28 permit low-density sprawl;

29 (iv) A county shall adopt measures to minimize and contain the
30 existing areas or uses of more intensive rural development, as
31 appropriate, authorized under this subsection. Lands included in such
32 existing areas or uses shall not extend beyond the logical outer
33 boundary of the existing area or use, thereby allowing a new pattern
34 of low-density sprawl. Existing areas are those that are clearly
35 identifiable and contained and where there is a logical boundary
36 delineated predominately by the built environment, but that may also
37 include undeveloped lands if limited as provided in this subsection.
38 The county shall establish the logical outer boundary of an area of
39 more intensive rural development. In establishing the logical outer
40 boundary, the county shall address (A) the need to preserve the

1 character of existing natural neighborhoods and communities, (B)
2 physical boundaries, such as bodies of water, streets and highways,
3 and land forms and contours, (C) the prevention of abnormally
4 irregular boundaries, and (D) the ability to provide public
5 facilities and public services in a manner that does not permit low-
6 density sprawl;

7 (v) For purposes of (d) of this subsection, an existing area or
8 existing use is one that was in existence:

9 (A) On July 1, 1990, in a county that was initially required to
10 plan under all of the provisions of this chapter;

11 (B) On the date the county adopted a resolution under RCW
12 36.70A.040(2), in a county that is planning under all of the
13 provisions of this chapter under RCW 36.70A.040(2); or

14 (C) On the date the office of financial management certifies the
15 county's population as provided in RCW 36.70A.040(5), in a county
16 that is planning under all of the provisions of this chapter pursuant
17 to RCW 36.70A.040(5).

18 (e) Exception. This subsection shall not be interpreted to permit
19 in the rural area a major industrial development or a master planned
20 resort unless otherwise specifically permitted under RCW 36.70A.360
21 and 36.70A.365.

22 (6) A transportation element that implements, and is consistent
23 with, the land use element.

24 (a) The transportation element shall include the following
25 subelements:

26 (i) Land use assumptions used in estimating travel;

27 (ii) Estimated traffic impacts to state-owned transportation
28 facilities resulting from land use assumptions to assist the
29 department of transportation in monitoring the performance of state
30 facilities, to plan improvements for the facilities, and to assess
31 the impact of land-use decisions on state-owned transportation
32 facilities;

33 (iii) Facilities and services needs, including:

34 (A) An inventory of air, water, and ground transportation
35 facilities and services, including transit alignments and general
36 aviation airport facilities, to define existing capital facilities
37 and travel levels as a basis for future planning. This inventory must
38 include state-owned transportation facilities within the city or
39 county's jurisdictional boundaries;

1 (B) Level of service standards for all locally owned arterials
2 and transit routes to serve as a gauge to judge performance of the
3 system. These standards should be regionally coordinated;

4 (C) For state-owned transportation facilities, level of service
5 standards for highways, as prescribed in chapters 47.06 and 47.80
6 RCW, to gauge the performance of the system. The purposes of
7 reflecting level of service standards for state highways in the local
8 comprehensive plan are to monitor the performance of the system, to
9 evaluate improvement strategies, and to facilitate coordination
10 between the county's or city's six-year street, road, or transit
11 program and the office of financial management's ten-year investment
12 program. The concurrency requirements of (b) of this subsection do
13 not apply to transportation facilities and services of statewide
14 significance except for counties consisting of islands whose only
15 connection to the mainland are state highways or ferry routes. In
16 these island counties, state highways and ferry route capacity must
17 be a factor in meeting the concurrency requirements in (b) of this
18 subsection;

19 (D) Specific actions and requirements for bringing into
20 compliance locally owned transportation facilities or services that
21 are below an established level of service standard;

22 (E) Forecasts of traffic for at least ten years based on the
23 adopted land use plan to provide information on the location, timing,
24 and capacity needs of future growth;

25 (F) Identification of state and local system needs to meet
26 current and future demands. Identified needs on state-owned
27 transportation facilities must be consistent with the statewide
28 multimodal transportation plan required under chapter 47.06 RCW;

29 (iv) Finance, including:

30 (A) An analysis of funding capability to judge needs against
31 probable funding resources;

32 (B) A multiyear financing plan based on the needs identified in
33 the comprehensive plan, the appropriate parts of which shall serve as
34 the basis for the six-year street, road, or transit program required
35 by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW
36 35.58.2795 for public transportation systems. The multiyear financing
37 plan should be coordinated with the ten-year investment program
38 developed by the office of financial management as required by RCW
39 47.05.030;

1 (C) If probable funding falls short of meeting identified needs,
2 a discussion of how additional funding will be raised, or how land
3 use assumptions will be reassessed to ensure that level of service
4 standards will be met;

5 (v) Intergovernmental coordination efforts, including an
6 assessment of the impacts of the transportation plan and land use
7 assumptions on the transportation systems of adjacent jurisdictions;

8 (vi) Demand-management strategies;

9 (vii) Pedestrian and bicycle component to include collaborative
10 efforts to identify and designate planned improvements for pedestrian
11 and bicycle facilities and corridors that address and encourage
12 enhanced community access and promote healthy lifestyles.

13 (b) After adoption of the comprehensive plan by jurisdictions
14 required to plan or who choose to plan under RCW 36.70A.040, local
15 jurisdictions must adopt and enforce ordinances which prohibit
16 development approval if the development causes the level of service
17 on a locally owned transportation facility to decline below the
18 standards adopted in the transportation element of the comprehensive
19 plan, unless transportation improvements or strategies to accommodate
20 the impacts of development are made concurrent with the development.
21 These strategies may include increased public transportation service,
22 ride-sharing programs, demand management, and other transportation
23 systems management strategies. For the purposes of this subsection
24 (6), "concurrent with the development" means that improvements or
25 strategies are in place at the time of development, or that a
26 financial commitment is in place to complete the improvements or
27 strategies within six years. If the collection of impact fees is
28 delayed under RCW 82.02.050(3), the six-year period required by this
29 subsection (6)(b) must begin after full payment of all impact fees is
30 due to the county or city.

31 (c) The transportation element described in this subsection (6),
32 the six-year plans required by RCW 35.77.010 for cities, RCW
33 36.81.121 for counties, and RCW 35.58.2795 for public transportation
34 systems, and the ten-year investment program required by RCW
35 47.05.030 for the state, must be consistent.

36 (7) An economic development element establishing local goals,
37 policies, objectives, and provisions for economic growth and vitality
38 and a high quality of life. A city that has chosen to be a
39 residential community is exempt from the economic development element
40 requirement of this subsection.

1 (8) A park and recreation element that implements, and is
2 consistent with, the capital facilities plan element as it relates to
3 park and recreation facilities. The element shall include: (a)
4 Estimates of park and recreation demand for at least a ten-year
5 period; (b) an evaluation of facilities and service needs; and (c) an
6 evaluation of intergovernmental coordination opportunities to provide
7 regional approaches for meeting park and recreational demand.

8 (9) It is the intent that new or amended elements required after
9 January 1, 2002, be adopted concurrent with the scheduled update
10 provided in RCW 36.70A.130. Requirements to incorporate any such new
11 or amended elements shall be null and void until funds sufficient to
12 cover applicable local government costs are appropriated and
13 distributed by the state at least two years before local government
14 must update comprehensive plans as required in RCW 36.70A.130.

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

17 Unless the context clearly requires otherwise, the definitions in
18 this section apply throughout this chapter.

19 (1) "Adopt a comprehensive land use plan" means to enact a new
20 comprehensive land use plan or to update an existing comprehensive
21 land use plan.

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

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

30 (4) "Comprehensive land use plan," "comprehensive plan," or
31 "plan" means a generalized coordinated land use policy statement of
32 the governing body of a county or city that is adopted pursuant to
33 this chapter.

34 (5) "Critical areas" include the following areas and ecosystems:
35 (a) Wetlands; (b) areas with a critical recharging effect on aquifers
36 used for potable water; (c) fish and wildlife habitat conservation
37 areas; (d) frequently flooded areas; and (e) geologically hazardous
38 areas. "Fish and wildlife habitat conservation areas" does not
39 include such artificial features or constructs as irrigation delivery

1 systems, irrigation infrastructure, irrigation canals, or drainage
2 ditches that lie within the boundaries of and are maintained by a
3 port district or an irrigation district or company.

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

5 (7) "Development regulations" or "regulation" means the controls
6 placed on development or land use activities by a county or city,
7 including, but not limited to, zoning ordinances, critical areas
8 ordinances, shoreline master programs, official controls, planned
9 unit development ordinances, subdivision ordinances, and binding site
10 plan ordinances together with any amendments thereto. A development
11 regulation does not include a decision to approve a project permit
12 application, as defined in RCW 36.70B.020, even though the decision
13 may be expressed in a resolution or ordinance of the legislative body
14 of the county or city.

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

30 (9) "Freight rail dependent uses" means buildings and other
31 infrastructure that are used in the fabrication, processing, storage,
32 and transport of goods where the use is dependent on and makes use of
33 an adjacent short line railroad. Such facilities are both urban and
34 rural development for purposes of this chapter. "Freight rail
35 dependent uses" does not include buildings and other infrastructure
36 that are used in the fabrication, processing, storage, and transport
37 of coal, liquefied natural gas, or "crude oil" as defined in RCW
38 90.56.010.

39 (10) "Geologically hazardous areas" means areas that because of
40 their susceptibility to erosion, sliding, earthquake, or other

1 geological events, are not suited to the siting of commercial,
2 residential, or industrial development consistent with public health
3 or safety concerns.

4 (11) "Long-term commercial significance" includes the growing
5 capacity, productivity, and soil composition of the land for long-
6 term commercial production, in consideration with the land's
7 proximity to population areas, and the possibility of more intense
8 uses of the land.

9 (12) "Minerals" include gravel, sand, and valuable metallic
10 substances.

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

15 (14) "Public services" include fire protection and suppression,
16 law enforcement, public health, education, recreation, environmental
17 protection, and other governmental services.

18 (15) "Recreational land" means land so designated under RCW
19 36.70A.1701 and that, immediately prior to this designation, was
20 designated as agricultural land of long-term commercial significance
21 under RCW 36.70A.170. Recreational land must have playing fields and
22 supporting facilities existing before July 1, 2004, for sports played
23 on grass playing fields.

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

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

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

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

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

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

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

1 (g) That are consistent with the protection of natural surface
2 water flows and groundwater and surface water recharge and discharge
3 areas.

4 (17) "Rural development" refers to development outside the urban
5 growth area and outside agricultural, forest, and mineral resource
6 lands designated pursuant to RCW 36.70A.170. Rural development can
7 consist of a variety of uses and residential densities, including
8 clustered residential development, at levels that are consistent with
9 the preservation of rural character and the requirements of the rural
10 element. Rural development does not refer to agriculture or forestry
11 activities that may be conducted in rural areas.

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

20 (19) "Short line railroad" means those railroad lines designated
21 class II or class III by the United States surface transportation
22 board.

23 (20) "Urban governmental services" or "urban services" include
24 those public services and public facilities at an intensity
25 historically and typically provided in cities, specifically including
26 storm and sanitary sewer systems, domestic water systems, street
27 cleaning services, fire and police protection services, public
28 transit services, and other public utilities associated with urban
29 areas and normally not associated with rural areas.

30 (21) "Urban growth" refers to growth that makes intensive use of
31 land for the location of buildings, structures, and impermeable
32 surfaces to such a degree as to be incompatible with the primary use
33 of land for the production of food, other agricultural products, or
34 fiber, or the extraction of mineral resources, rural uses, rural
35 development, and natural resource lands designated pursuant to RCW
36 36.70A.170. A pattern of more intensive rural development, as
37 provided in RCW 36.70A.070(5)(d), is not urban growth. When allowed
38 to spread over wide areas, urban growth typically requires urban
39 governmental services. "Characterized by urban growth" refers to land
40 having urban growth located on it, or to land located in relationship

1 to an area with urban growth on it as to be appropriate for urban
2 growth.

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

5 (23) "Wetland" or "wetlands" means areas that are inundated or
6 saturated by surface water or groundwater at a frequency and duration
7 sufficient to support, and that under normal circumstances do
8 support, a prevalence of vegetation typically adapted for life in
9 saturated soil conditions. Wetlands generally include swamps,
10 marshes, bogs, and similar areas. Wetlands do not include those
11 artificial wetlands intentionally created from nonwetland sites,
12 including, but not limited to, irrigation and drainage ditches,
13 grass-lined swales, canals, detention facilities, wastewater
14 treatment facilities, farm ponds, and landscape amenities, or those
15 wetlands created after July 1, 1990, that were unintentionally
16 created as a result of the construction of a road, street, or
17 highway. Wetlands may include those artificial wetlands intentionally
18 created from nonwetland areas created to mitigate conversion of
19 wetlands.

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

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

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

38 (27) "Very low-income household" means a single person, family,
39 or unrelated persons living together whose adjusted income is at or
40 below fifty percent of the median family income adjusted for family

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

3 **Sec. 4.** RCW 43.21C.450 and 2012 1st sp.s. c 1 s 307 are each
4 amended to read as follows:

5 The following nonproject actions are categorically exempt from
6 the requirements of this chapter:

7 (1) Amendments to development regulations that are required to
8 ensure consistency with an adopted comprehensive plan pursuant to RCW
9 36.70A.040, where the comprehensive plan was previously subjected to
10 environmental review pursuant to this chapter and the impacts
11 associated with the proposed regulation were specifically addressed
12 in the prior environmental review;

13 (2) Amendments to development regulations that are required to
14 ensure consistency with a shoreline master program approved pursuant
15 to RCW 90.58.090, where the shoreline master program was previously
16 subjected to environmental review pursuant to this chapter and the
17 impacts associated with the proposed regulation were specifically
18 addressed in the prior environmental review;

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

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

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

26 (c) Increased vegetation retention or decreased impervious
27 surface areas in critical areas;

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

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

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

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

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

36 NEW SECTION. **Sec. 5.** A new section is added to chapter 36.70A
37 RCW to read as follows:

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

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

9 (2) For housing units that are specifically for seniors or people
10 with disabilities, that are located within one-quarter mile of a
11 transit stop that receives transit service at least four times per
12 hour for twelve or more hours per day, no minimum residential parking
13 requirement may be imposed.

14 **Sec. 6.** RCW 70.146.070 and 2013 c 275 s 4 are each amended to
15 read as follows:

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

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

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

21 (c) Actions required under federal and state permits and
22 compliance orders;

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

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

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

30 (g) Except as otherwise provided in RCW 70.146.120, and effective
31 one calendar year following the development and statewide
32 availability of model evergreen community management plans and
33 ordinances under RCW 35.105.050, whether the project is sponsored by
34 an entity that has been recognized, and what gradation of recognition
35 was received, in the evergreen community recognition program created
36 in RCW 35.105.030;

37 (h) The extent to which the applicant county or city, or if the
38 applicant is another public body, the extent to which the county or
39 city in which the applicant public body is located, has established

1 programs to mitigate nonpoint pollution of the surface or
2 subterranean water sought to be protected by the water pollution
3 control facility named in the application for state assistance; and

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

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 a grant or loan for
11 water pollution control facilities unless it has adopted a
12 comprehensive plan, including a capital facilities plan element, and
13 development regulations as required by RCW 36.70A.040. A county,
14 city, or town that has adopted a comprehensive plan and development
15 regulations as provided in RCW 36.70A.040 may request a grant or loan
16 for water pollution control facilities. This subsection does not
17 require any county, city, or town planning under RCW 36.70A.040 to
18 adopt a comprehensive plan or development regulations before
19 requesting a grant or loan under this chapter if such request is made
20 before the expiration of the time periods specified in RCW
21 36.70A.040. A county, city, or town planning under RCW 36.70A.040
22 that has not adopted a comprehensive plan and development regulations
23 within the time periods specified in RCW 36.70A.040 is not prohibited
24 from receiving a grant or loan under this chapter if the
25 comprehensive plan and development regulations are adopted as
26 required by RCW 36.70A.040 before the department executes a
27 contractual agreement for the grant or loan.

28 (3) Whenever the department is considering awarding grants or
29 loans for public facilities to special districts requesting funding
30 for a proposed facility located in a county, city, or town planning
31 under RCW 36.70A.040, it shall consider whether the county, city, or
32 town planning under RCW 36.70A.040 in whose planning jurisdiction the
33 proposed facility is located has adopted a comprehensive plan and
34 development regulations as required by RCW 36.70A.040.

35 (4) The department may not award a grant or loan for a public
36 facility located in a city subject to the requirements of section
37 1(1) and (2) of this act unless the city has certified to the
38 department of commerce that it is in compliance with section 1(1) and
39 (2) of this act, as appropriate.

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

5 **Sec. 7.** RCW 43.155.070 and 2017 3rd sp.s. c 10 s 9 are each
6 amended to read as follows:

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

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

12 (b) The local government must have developed a capital facility
13 plan; and

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

17 (2) Except where necessary to address a public health need or
18 substantial environmental degradation, a county, city, or town
19 planning under RCW 36.70A.040 may not receive financial assistance
20 under this chapter unless it has adopted a comprehensive plan,
21 including a capital facilities plan element, and development
22 regulations as required by RCW 36.70A.040. This subsection does not
23 require any county, city, or town planning under RCW 36.70A.040 to
24 adopt a comprehensive plan or development regulations before
25 requesting or receiving financial assistance under this chapter if
26 such request is made before the expiration of the time periods
27 specified in RCW 36.70A.040. A county, city, or town planning under
28 RCW 36.70A.040 that has not adopted a comprehensive plan and
29 development regulations within the time periods specified in RCW
30 36.70A.040 may apply for and receive financial assistance under this
31 chapter if the comprehensive plan and development regulations are
32 adopted as required by RCW 36.70A.040 before executing a contractual
33 agreement for financial assistance with the board.

34 (3) In considering awarding financial assistance for public
35 facilities to special districts requesting funding for a proposed
36 facility located in a county, city, or town planning under RCW
37 36.70A.040, the board must consider whether the county, city, or town
38 planning under RCW 36.70A.040 in whose planning jurisdiction the

1 proposed facility is located has adopted a comprehensive plan and
2 development regulations as required by RCW 36.70A.040.

3 (4) The board may not award financial assistance for a proposed
4 facility located in a city subject to the requirements of section
5 1(1) and (2) of this act unless the city has certified to the
6 department of commerce that it is in compliance with section 1(1) and
7 (2) of this act, as appropriate, of this act.

8 (5)(a) The board must develop a process to prioritize
9 applications and funding of loans and grants for public works
10 projects submitted by local governments. The board must consider, at
11 a minimum and in any order, the following factors in prioritizing
12 projects:

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

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

16 (iii) The extent to which the project is ready to proceed to
17 construction;

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

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

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

23 (vii) Whether the project encourages economic development through
24 mixed-use and mixed income development consistent with chapter 36.70A
25 RCW;

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

28 (ix) Achieving equitable distribution of funds by geography and
29 population;

30 (x) The extent to which the project meets the following state
31 policy objectives:

32 (A) Efficient use of state resources;

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

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

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

37 (E) Fostering economic development consistent with chapter 36.70A
38 RCW;

39 (F) Efficiency in delivery of goods and services and
40 transportation; and

1 (G) Reduction of the overall cost of public infrastructure;
2 (xi) Whether the applicant sought or is seeking funding for the
3 project from other sources; and
4 (xii) Other criteria that the board considers necessary to
5 achieve the purposes of this chapter.
6 (b) Before September 1, 2018, and each year thereafter, the board
7 must develop and submit a report regarding the construction loans and
8 grants to the office of financial management and appropriate fiscal
9 committees of the senate and house of representatives. The report
10 must include:
11 (i) The total number of applications and amount of funding
12 requested for public works projects;
13 (ii) A list and description of projects approved in the preceding
14 fiscal year with project scores against the board's prioritization
15 criteria;
16 (iii) The total amount of loan and grants disbursements made from
17 the public works assistance account in the preceding fiscal year;
18 (iv) The total amount of loan repayments in the preceding fiscal
19 year for outstanding loans from the public works assistance account;
20 (v) The total amount of loan repayments due for outstanding loans
21 for each fiscal year over the following ten-year period; and
22 (vi) The total amount of funds obligated and timing of when the
23 funds were obligated in the preceding fiscal year.
24 (c) The maximum amount of funding that the board may provide for
25 any jurisdiction is ten million dollars per biennium.
26 ~~((+5))~~ (6) Existing debt or financial obligations of local
27 governments may not be refinanced under this chapter. Each local
28 government applicant must provide documentation of attempts to secure
29 additional local or other sources of funding for each public works
30 project for which financial assistance is sought under this chapter.
31 ~~((+6))~~ (7) Before September 1st of each year, the board must
32 develop and submit to the appropriate fiscal committees of the senate
33 and house of representatives a description of the loans and grants
34 made under RCW 43.155.065 and 43.155.068.
35 ~~((+7))~~ (8) The board may not sign contracts or otherwise
36 financially obligate funds from the public works assistance account
37 before the legislature has appropriated funds to the board for the
38 purpose of funding public works projects under this chapter.
39 ~~((+8))~~ (9) To qualify for loans, grants, or pledges for solid
40 waste or recycling facilities under this chapter, a city or county

1 must demonstrate that the solid waste or recycling facility is
2 consistent with and necessary to implement the comprehensive solid
3 waste management plan adopted by the city or county under chapter
4 70.95 RCW.

5 ~~((9))~~ (10) After January 1, 2010, any project designed to
6 address the effects of stormwater or wastewater on Puget Sound may be
7 funded under this section only if the project is not in conflict with
8 the action agenda developed by the Puget Sound partnership under RCW
9 90.71.310.

10 ~~((10))~~ (11) For projects involving repair, replacement, or
11 improvement of a wastewater treatment plant or other public works
12 facility for which an investment grade efficiency audit is reasonably
13 obtainable, the public works board must require as a contract
14 condition that the project sponsor undertake an investment grade
15 efficiency audit. The project sponsor may finance the costs of the
16 audit as part of its public works assistance account program loan or
17 grant.

18 ~~((11))~~ (12) The board must implement policies and procedures
19 designed to maximize local government consideration of other funds to
20 finance local infrastructure.

21 **Sec. 8.** RCW 47.26.086 and 2011 c 120 s 7 are each amended to
22 read as follows:

23 Transportation improvement account projects selected for funding
24 programs after fiscal year 1995 are governed by the requirements of
25 this section.

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

33 To be eligible to receive these funds, a project must be
34 consistent with the Growth Management Act, the Clean Air Act
35 including conformity, and the Commute Trip Reduction Law and
36 consideration must have been given to the project's relationship,
37 both actual and potential, with the statewide rail passenger program
38 and rapid mass transit. For a project located in a city that is
39 subject to the requirements of section 1(1) and (2) of this act, the

1 city must certify to the department of commerce that it is in
2 compliance with section 1(1) and (2) of this act, as appropriate, in
3 order for the project to be eligible to receive these funds. Projects
4 must be consistent with any adopted high capacity transportation
5 plan, must consider existing or reasonably foreseeable congestion
6 levels attributable to economic development or growth and all modes
7 of transportation and safety, and must be partially funded by local
8 government or private contributions, or a combination of such
9 contributions. Priority consideration shall be given to those
10 projects with the greatest percentage of local or private
11 contribution, or both.

12 Within one year after board approval of an application for
13 funding, the lead agency shall provide written certification to the
14 board of the pledged local and private funding for the phase of the
15 project approved. Funds allocated to an applicant that does not
16 certify its funding within one year after approval may be reallocated
17 by the board.

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

20 (1) A project action evaluated under this chapter by a city,
21 town, or county planning under RCW 36.70A.040 is exempt from appeals
22 under this chapter on the basis of the evaluation of or impacts to
23 transportation elements of the environment, so long as the project
24 does not present significant adverse impacts to state highways and
25 the project is:

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

27 (ii) Consistent with the transportation element of a
28 comprehensive plan; and

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

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

34 (2) For purposes of this section, "impacts to transportation
35 elements of the environment" include impacts to transportation
36 systems; vehicular traffic; waterborne, rail, and air traffic;
37 parking; movement or circulation of people or goods; and traffic
38 hazards.

1 **Sec. 10.** RCW 43.21C.420 and 2010 c 153 s 2 are each amended to
2 read as follows:

3 (1) Cities with a population greater than five thousand, in
4 accordance with their existing comprehensive planning and development
5 regulation authority under chapter 36.70A RCW, and in accordance with
6 this section, may adopt optional elements of their comprehensive
7 plans and optional development regulations that apply within
8 specified subareas of the cities, that are either:

9 (a) Areas designated as mixed-use or urban centers in a land use
10 or transportation plan adopted by a regional transportation planning
11 organization; or

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

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

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

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

28 (b) Commuter rail stops;

29 (c) Stops on rail or fixed guideway systems, including
30 transitways;

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

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

36 (4) (a) A city that elects to adopt such an optional comprehensive
37 plan element and optional development regulations shall prepare a
38 nonproject environmental impact statement, pursuant to RCW
39 43.21C.030, assessing and disclosing the probable significant adverse
40 environmental impacts of the optional comprehensive plan element and

1 development regulations and of future development that is consistent
2 with the plan and regulations.

3 (b) At least one community meeting must be held on the proposed
4 subarea plan before the scoping notice for such a nonproject
5 environmental impact statement is issued. Notice of scoping for such
6 a nonproject environmental impact statement and notice of the
7 community meeting required by this section must be mailed to all
8 property owners of record within the subarea to be studied, to all
9 property owners within one hundred fifty feet of the boundaries of
10 such a subarea, to all affected federally recognized tribal
11 governments whose ceded area is within one-half mile of the
12 boundaries of the subarea, and to agencies with jurisdiction over the
13 future development anticipated within the subarea.

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

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

34 ~~((e))~~ (d) Any person that has standing to appeal the adoption
35 of this subarea plan or the implementing regulations under RCW
36 36.70A.280 has standing to bring an appeal of the nonproject
37 environmental impact statement required by this subsection.

38 ~~((f) Cities with over five hundred thousand residents shall~~
39 ~~prepare a study that accompanies or is appended to the nonproject~~
40 ~~environmental impact statement, but must not be part of that~~

1 ~~statement, that analyzes the extent to which the proposed subarea~~
2 ~~plan may result in the displacement or fragmentation of existing~~
3 ~~businesses, existing residents, including people living with poverty,~~
4 ~~families with children, and intergenerational households, or cultural~~
5 ~~groups within the proposed subarea plan. The city shall also discuss~~
6 ~~the results of the analysis at the community meeting.~~

7 ~~(g))~~ (e) As an incentive for development authorized under this
8 section, a city shall consider establishing a transfer of development
9 rights program in consultation with the county where the city is
10 located, that conserves county-designated agricultural and forestland
11 of long-term commercial significance. If the city decides not to
12 establish a transfer of development rights program, the city must
13 state in the record the reasons for not adopting the program. The
14 city's decision not to establish a transfer of development rights
15 program is not subject to appeal. Nothing in this subsection (4)
16 ~~((g))~~ (e) may be used as a basis to challenge the optional
17 comprehensive plan or subarea plan policies authorized under this
18 section.

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

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

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

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

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

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

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

17 ((b)) (c) After July 1, ((2018)) 2029, the immunity from
18 appeals under this chapter of any application that vests or will vest
19 under this subsection or the ability to vest under this subsection is
20 still valid, provided that the final subarea environmental impact
21 statement is issued by July 1, ((2018)) 2029. After July 1, ((2018))
22 2029, a city may continue to collect reimbursement fees under
23 subsection (6) of this section for the proportionate share of a
24 subarea environmental impact statement issued prior to July 1,
25 ((2018)) 2029.

26 (6) It is recognized that a city that prepares a nonproject
27 environmental impact statement under subsection (4) of this section
28 must endure a substantial financial burden. A city may recover or
29 apply for a grant or loan to prospectively cover its reasonable
30 expenses of preparation of a nonproject environmental impact
31 statement prepared under subsection (4) of this section through
32 access to financial assistance under RCW 36.70A.490 or funding from
33 private sources. In addition, a city is authorized to recover a
34 portion of its reasonable expenses of preparation of such a
35 nonproject environmental impact statement by the assessment of
36 reasonable and proportionate fees upon subsequent development that is
37 consistent with the plan and development regulations adopted under
38 subsection (5) of this section, as long as the development makes use
39 of and benefits ((from)) from, as described in subsection (5) of
40 this section, ((from)) the nonproject environmental impact statement

1 prepared by the city. Any assessment fees collected from subsequent
2 development may be used to reimburse funding received from private
3 sources. In order to collect such fees, the city must enact an
4 ordinance that sets forth objective standards for determining how the
5 fees to be imposed upon each development will be proportionate to the
6 impacts of each development and to the benefits accruing to each
7 development from the nonproject environmental impact statement. Any
8 disagreement about the reasonableness or amount of the fees imposed
9 upon a development may not be the basis for delay in issuance of a
10 project permit for that development. The fee assessed by the city may
11 be paid with the written stipulation "paid under protest" and if the
12 city provides for an administrative appeal of its decision on the
13 project for which the fees are imposed, any dispute about the amount
14 of the fees must be resolved in the same administrative appeal
15 process.

16 (7) If a proposed development is inconsistent with the optional
17 comprehensive plan or subarea plan policies and development
18 regulations adopted under subsection (1) of this section, the city
19 shall require additional environmental review in accordance with this
20 chapter.

21 **Sec. 11.** RCW 36.70A.490 and 2012 1st sp.s. c 1 s 309 are each
22 amended to read as follows:

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

34 NEW SECTION. **Sec. 12.** A new section is added to chapter 35.21
35 RCW to read as follows:

36 Permanent supportive housing shall be a permitted use in all
37 areas where multifamily housing is permitted.

1 **Sec. 13.** RCW 82.02.060 and 2012 c 200 s 1 are each amended to
2 read as follows:

3 The local ordinance by which impact fees are imposed:

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

12 (a) The cost of public facilities necessitated by new
13 development;

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

19 (c) The availability of other means of funding public facility
20 improvements;

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

22 (e) The methods by which public facilities improvements were
23 financed;

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

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

1 price restrictions and household income limits for the low-income
2 housing, and that if the property is converted to a use other than
3 for low-income housing, the property owner must pay the applicable
4 impact fees in effect at the time of conversion. Covenants required
5 by this subsection must be recorded with the applicable county
6 auditor or recording officer. A local government granting an
7 exemption under subsection (2) of this section or this subsection (3)
8 for low-income housing may not collect revenue lost through granting
9 an exemption by increasing impact fees unrelated to the exemption. A
10 school district who receives school impact fees must approve any
11 exemption under subsection (2) of this section or this subsection
12 (3);

13 (4) May not charge a higher per unit fee for multifamily
14 residential construction than for single-family residential
15 construction;

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

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

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

30 ~~((+7))~~ (8) Shall establish one or more reasonable service areas
31 within which it shall calculate and impose impact fees for various
32 land use categories per unit of development; and

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

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.

--- **END** ---