**2474-S AMH PETE H3267.1 - NOT FOR FLOOR USE**

**SHB 2474** - H AMD **1015**

By Representative Peterson

**ADOPTED 02/12/2024**

Strike everything after the enacting clause and insert the following:

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

(1) The department of commerce shall provide services to facilitate the timely resolution of disputes between a city and:

(a) An applicant seeking a project permit or development agreement to site or construct permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters; or

(b) A developer for permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters that alleges a zoning ordinance or development regulations adopted by the city prevents the siting of housing or shelter in violation of RCW 35.21.683, 36.130.020, or, if applicable, 36.70A.070(2)(c).

(2) A city, an applicant, or a developer as specified in subsection (1) of this section may request the department of commerce provide facilitation services to resolve issues of concern with a proposed development of permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters.

(3) If dispute resolution is unsuccessful, the city must submit the project permit application, any development agreement, any zoning ordinance and related development regulations, or any other relevant documents, including a statement of the reason for any denial, rescission, or conditions of approval, the requirements necessary to fulfill the development agreement or development regulations, or how the adopted ordinance and development regulations comply with RCW 35.21.683, to the department of commerce for review.

(4)(a) If the department of commerce finds that the final decision on the project permit application, a development agreement, or another permitting process violates RCW 35.21.683, 36.130.020, or, if applicable, 36.70A.070(2)(c), the department shall reverse the final decision and return it to the city for approval, modification, or further proceedings.

(b) If the department of commerce finds that a zoning ordinance or development regulations adopted by the city prevents the siting of housing or shelter in violation of RCW 35.21.683, 36.130.020, or, if applicable, 36.70A.070(2)(c), the department must issue a determination of noncompliance.

(5)(a) The final decision of the department of commerce under subsection (4)(a) of this section may be appealed as a land use decision under chapter 36.70C RCW by the city, the applicant, or any other person with standing under RCW 36.70C.060.

(b) The final decision of the department of commerce under subsection (4)(b) of this section may be appealed to the growth management hearings board by filing a petition as provided in RCW 36.70A.290.

(6)(a) The department shall notify the state treasurer if a city fails to:

(i) Issue a project permit application, a development agreement, or another permit or process decision within 30 days of a determination of noncompliance under subsection (4)(a) of this section; or

(ii) Amend its zoning ordinance and related development regulations to comply with RCW 35.21.683, 36.130.020, and, if applicable, 36.70A.070(2)(c) within 30 days of a determination of noncompliance under subsection (4)(b) of this section.

(b) Upon notification, the state treasurer shall withhold the following revenues to which a city is entitled: (i) The motor vehicle fuel tax, as provided in chapter 82.38 RCW; (ii) the transportation improvement account, as provided in RCW 47.26.084; (iii) the rural arterial trust account, as provided in RCW 36.79.150; (iv) the sales and use tax, as provided in chapter 82.14 RCW; (v) the liquor profit tax, as provided in RCW 66.08.190; and (vi) the liquor excise tax, as provided in RCW 82.08.170.

(c) The state treasurer shall resume distributions of revenues withheld under (b) of this subsection when the city issues the project permit application or amends its zoning ordinance and related development regulations.

(7) An applicant submitting a project permit application, a development agreement, or other documents for permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters may submit a copy of the project permit application, development agreement, or other documents to the department of commerce. An applicant also may request a review of any denial, rescission, or conditions for approval by a city.

(8) The department of commerce may adopt any rules necessary to implement this section.

(9) This section expires July 1, 2029.

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

(1) The department of commerce shall provide services to facilitate the timely resolution of disputes between a code city and:

(a) An applicant seeking a project permit or development agreement to site or construct permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters; or

(b) A developer for permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters that alleges a zoning ordinance or development regulations adopted by the code city prevents the siting of housing or shelter in violation of RCW 35A.21.430, 36.130.020, or, if applicable, 36.70A.070(2)(c).

(2) A code city, an applicant, or a developer as specified in subsection (1) of this section may request the department of commerce provide facilitation services to resolve issues of concern with a proposed development of permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters.

(3) If dispute resolution is unsuccessful, the code city must submit the project permit application, any development agreement, any zoning ordinance and related development regulations, or any other relevant documents, including a statement of the reason for any denial, rescission, or conditions of approval, the requirements necessary to fulfill the development agreement or development regulations, or how the adopted ordinance and development regulations comply with RCW 35A.21.430, to the department of commerce for review.

(4)(a) If the department of commerce finds that the final decision on the project permit application, a development agreement, or another permitting process violates RCW 35A.21.430, 36.130.020, or, if applicable, 36.70A.070(2)(c), the department shall reverse the final decision and return it to the code city for approval, modification, or further proceedings.

(b) If the department of commerce finds that a zoning ordinance or development regulations adopted by the code city prevents the siting of housing or shelter in violation of RCW 35A.21.430, 36.130.020, or, if applicable, 36.70A.070(2)(c), the department must issue a determination of noncompliance.

(5)(a) The final decision of the department of commerce under subsection (4)(a) of this section may be appealed as a land use decision under chapter 36.70C RCW by the code city, the applicant, or any other person with standing under RCW 36.70C.060.

(b) The final decision of the department of commerce under subsection (4)(b) of this section may be appealed to the growth management hearings board by filing a petition as provided in RCW 36.70A.290.

(6)(a) The department shall notify the state treasurer if a code city fails to:

(i) Issue a project permit application, a development agreement, or another permit or process decision within 30 days of a determination of noncompliance under subsection (4)(a) of this section; or

(ii) Amend its zoning ordinance and related development regulations to comply with RCW 35A.21.430, 36.130.020, and, if applicable, 36.70A.070(2)(c) within 30 days of a determination of noncompliance under subsection (4)(b) of this section.

(b) Upon notification, the state treasurer shall withhold the following revenues to which a code city is entitled: (i) The motor vehicle fuel tax, as provided in chapter 82.38 RCW; (ii) the transportation improvement account, as provided in RCW 47.26.084; (iii) the rural arterial trust account, as provided in RCW 36.79.150; (iv) the sales and use tax, as provided in chapter 82.14 RCW; (v) the liquor profit tax, as provided in RCW 66.08.190; and (vi) the liquor excise tax, as provided in RCW 82.08.170.

(c) The state treasurer shall resume distributions of revenues withheld under (b) of this subsection when the code city issues the project permit application or amends its zoning ordinance and related development regulations.

(7) An applicant submitting a project permit application, a development agreement, or other documents for permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters may submit a copy of the project permit application, development agreement, or other documents to the department of commerce. An applicant also may request a review of any denial, rescission, or conditions for approval by a code city.

(8) The department of commerce may adopt any rules necessary to implement this section.

(9) This section expires July 1, 2029."

Correct the title.

EFFECT: • Removes provisions requiring cities to submit any new zoning ordinances and development regulations addressing the reasonable occupancy, spacing, and intensity of use requirements for permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters to the department of commerce (Commerce) for a determination of compliance.

• Directs Commerce to provide services to facilitate the timely resolution of disputes between a city and either: (a) An applicant seeking a project permit or development agreement to site or construct permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters; or (b) A developer alleging that the city's zoning ordinance or development regulations prevent the siting of permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters.

• Allows a city, an applicant, or a developer to request dispute resolution services from Commerce.

• Authorizes Commerce to issue a finding of noncompliance if a city's zoning ordinances or development regulations prevent the siting of permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters, in addition to the authority to reverse a city's final decision on a project permit application, a development agreement, or another permitting process.

• Specifies that Commerce's final decision on permits or development agreements may be appealed under the land use petition act and Commerce's final decision on zoning ordinances and development regulations may be appealed to the growth management hearings board.

• Directs Commerce to notify the state treasurer to withhold certain revenues from a city if the city does not amend its zoning ordinance and development regulations within 30 days of Commerce's determination of noncompliance, in addition to if a city fails to issue a permit or development agreement after a reversal by Commerce.

• Provides an expiration date of July 1, 2029.