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**SUBSTITUTE HOUSE BILL 1449**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** House Local Government (originally sponsored by Representatives Alvarado, Hutchins, Fitzgibbon, Simmons, Christian, Low, Reed, Gregerson, Macri, and Bateman)

AN ACT Relating to amending reporting requirements for the project permit application processing timeline; and amending RCW 36.70B.020, 36.70B.080, and 36.70A.500.

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

**Sec.**  RCW 36.70B.020 and 1995 c 347 s 402 are each amended to read as follows:

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

(1) "Closed record appeal" means an administrative appeal on the record to a local government body or officer, including the legislative body, following an open record hearing on a project permit application when the appeal is on the record with no or limited new evidence or information allowed to be submitted and only appeal argument allowed.

(2) "Local government" means a county, city, or town.

(3) "Open record hearing" means a hearing, conducted by a single hearing body or officer authorized by the local government to conduct such hearings, that creates the local government's record through testimony and submission of evidence and information, under procedures prescribed by the local government by ordinance or resolution. An open record hearing may be held prior to a local government's decision on a project permit to be known as an "open record predecision hearing." An open record hearing may be held on an appeal, to be known as an "open record appeal hearing," if no open record predecision hearing has been held on the project permit.

(4) "Project permit" or "project permit application" means any land use or environmental permit ((~~or license~~)) required from a local government for a project action, including but not limited to ((~~building permits,~~)) subdivisions, binding site plans, planned unit developments, conditional uses, shoreline substantial development permits, site plan review, permits or approvals required by critical area ordinances, site-specific rezones authorized by a comprehensive plan or subarea plan, but excluding the adoption or amendment of a comprehensive plan, subarea plan, or development regulations except as otherwise specifically included in this subsection.

(5) "Public meeting" means an informal meeting, hearing, workshop, or other public gathering of people to obtain comments from the public or other agencies on a proposed project permit prior to the local government's decision. A public meeting may include, but is not limited to, a design review or architectural control board meeting, a special review district or community council meeting, or a scoping meeting on a draft environmental impact statement. A public meeting does not include an open record hearing. The proceedings at a public meeting may be recorded and a report or recommendation may be included in the local government's project permit application file.

**Sec.**  RCW 36.70B.080 and 2004 c 191 s 2 are each amended to read as follows:

(1) Development regulations adopted pursuant to RCW 36.70A.040 must establish and implement time periods for local government actions for each type of project permit application and provide timely and predictable procedures to determine whether a completed project permit application meets the requirements of those development regulations. The time periods for local government actions for each type of complete project permit application or project type should not exceed one hundred twenty days, unless the local government makes written findings that a specified amount of additional time is needed to process specific complete project permit applications or project types.

The development regulations must, for each type of permit application, specify the contents of a completed project permit application necessary for the complete compliance with the time periods and procedures.

(2)(a) Counties subject to the requirements of RCW 36.70A.215 and the cities within those counties that have populations of at least ((~~twenty thousand~~)) 20,000 must, for each type of permit application, identify the total number of project permit applications for which decisions are issued according to the provisions of this chapter. For each type of project permit application identified, these counties and cities must establish and implement a deadline for issuing a notice of final decision as required by subsection (1) of this section and minimum requirements for applications to be deemed complete under RCW 36.70B.070 as required by subsection (1) of this section.

(b) Counties and cities subject to the requirements of this subsection also must prepare an annual performance report((~~s~~)) that ((~~include, at a minimum, the following information for each type of project permit application identified in accordance with the requirements of (a) of this subsection:~~

~~(i) Total number of complete applications received during the year;~~

~~(ii) Number of complete applications received during the year for which a notice of final decision was issued before the deadline established under this subsection;~~

~~(iii) Number of applications received during the year for which a notice of final decision was issued after the deadline established under this subsection;~~

~~(iv) Number of applications received during the year for which an extension of time was mutually agreed upon by the applicant and the county or city;~~

~~(v) Variance of actual performance, excluding applications for which mutually agreed time extensions have occurred, to the deadline established under this subsection during the year; and~~

~~(vi) The mean processing time and the number standard deviation from the mean.~~

~~(c) Counties and cities subject to the requirements of this subsection must:~~

~~(i) Provide notice of and access to the annual performance reports through the county's or city's website; and~~

~~(ii) Post electronic facsimiles of the annual performance reports through the county's or city's website. Postings on a county's or city's website indicating that the reports are available by contacting the appropriate county or city department or official do not comply with the requirements of this subsection.~~

~~If a county or city subject to the requirements of this subsection does not maintain a website, notice of the reports must be given by reasonable methods, including but not limited to those methods specified in RCW 36.70B.110(4)~~)) includes information outlining time frames for certain permit types associated with housing. The report does not need to include the total time for a project to receive final decision approval from a city or county. The report must provide:

(i) Permit time frames for each permit process in the county or city in relation to those established under this section, including whether the county or city has established shorter time frames than those provided for in this section;

(ii) The total number of decisions issued during the year for the following permit types: Preliminary subdivisions, final subdivisions, binding site plans, permit processes associated with the approval of multifamily housing, and construction plan review for each of these permit types when submitted separately;

(iii) The total number of decisions for each permit type which included consolidated project permit review, such as concurrent review of a rezone or construction plans;

(iv) For each project permit application received during the year, the total number of days from the county or city's receipt of the application to the issuance of the final decision on the application. This shall be calculated from the day completeness is determined under RCW 36.70B.070 to the date a decision is issued on the application. The number of days shall be calculated by counting five days per week, excluding holidays;

(v) For each project permit application received during the year, the total number of days the application was in review with the county or city. This shall be calculated from the day the project permit application is deemed complete under RCW 36.70B.070 to the date that the final decision is issued on the application. The number of days shall be calculated by counting five days per week, excluding holidays and any period between when the county or city has notified the applicant, in writing, that additional information is required to further process the application and when that information is submitted by the applicant. Time periods in which review of the application was temporarily suspended at the written request of the applicant shall also be excluded; and

(vi) For each project permit application received during the year, the total number of days that were excluded from the calculation in (b)(v) of this subsection because the county or city had notified the applicant that additional information was required and the applicant had yet to provide the necessary information.

(c) Counties and cities subject to the requirements of this subsection must:

(i) Post the annual performance report through the county or city's website; and

(ii) Submit the annual performance report to the department of commerce by March 1st each year.

(d) No later than July 1st each year, the department of commerce must publish a report which includes the annual performance report data for each county and city subject to the requirements of this subsection and a list of those counties and cities whose time frames are shorter than those provided for in this section. The department of commerce shall develop a template for counties and cities subject to these requirements to utilize for reporting data. The annual report must also include key metrics and findings from the information collected.

(e)(i) The initial annual report required under this subsection (2) must be submitted to the department of commerce by March 1, 2025, and must include information from permitting in 2024.

(ii) A county or city subject to the requirement of this subsection (2) that does not submit an annual performance report to the department of commerce by March 1st is ineligible to receive grants from the growth management planning and environmental review fund under RCW 36.70A.500 unless the county or city has certified to the department, and the department has confirmed, that the county or city is in compliance with the reporting requirements.

(3) Nothing in this section prohibits a county or city from extending a deadline for issuing a decision for a specific project permit application for any reasonable period of time mutually agreed upon by the applicant and the local government.

((~~(4) The department of community, trade, and economic development shall work with the counties and cities to review the potential implementation costs of the requirements of subsection (2) of this section. The department, in cooperation with the local governments, shall prepare a report summarizing the projected costs, together with recommendations for state funding assistance for implementation costs, and provide the report to the governor and appropriate committees of the senate and house of representatives by January 1, 2005.~~))

**Sec.**  RCW 36.70A.500 and 2012 1st sp.s. c 1 s 310 are each amended to read as follows:

(1) The department of commerce shall provide management services for the growth management planning and environmental review fund created by RCW 36.70A.490. The department shall establish procedures for fund management. The department shall encourage participation in the grant or loan program by other public agencies. The department shall develop the grant or loan criteria, monitor the grant or loan program, and select grant or loan recipients in consultation with state agencies participating in the grant or loan program through the provision of grant or loan funds or technical assistance.

(2) A grant or loan may be awarded to a county or city that is required to or has chosen to plan under RCW 36.70A.040 and that is qualified pursuant to this section. The grant or loan shall be provided to assist a county or city in paying for the cost of preparing an environmental analysis under chapter 43.21C RCW, that is integrated with a comprehensive plan, subarea plan, plan element, countywide planning policy, development regulation, monitoring program, or other planning activity adopted under or implementing this chapter that:

(a) Improves the process for project permit review while maintaining environmental quality; or

(b) Encourages use of plans and information developed for purposes of complying with this chapter to satisfy requirements of other state programs.

(3) In order to qualify for a grant or loan, a county or city shall:

(a) Demonstrate that it will prepare an environmental analysis pursuant to chapter 43.21C RCW and subsection (2) of this section that is integrated with a comprehensive plan, subarea plan, plan element, countywide planning policy, development regulations, monitoring program, or other planning activity adopted under or implementing this chapter;

(b) Address environmental impacts and consequences, alternatives, and mitigation measures in sufficient detail to allow the analysis to be adopted in whole or in part by applicants for development permits within the geographic area analyzed in the plan;

(c) Demonstrate that procedures for review of development permit applications will be based on the integrated plans and environmental analysis;

(d) Include mechanisms to monitor the consequences of growth as it occurs in the plan area and to use the resulting data to update the plan, policy, or implementing mechanisms and associated environmental analysis;

(e) Demonstrate substantial progress towards compliance with the requirements of this chapter. A county or city that is more than six months out of compliance with a requirement of this chapter is deemed not to be making substantial progress towards compliance; and

(f) Provide local funding, which may include financial participation by the private sector.

(4) In awarding grants or loans, the department shall give preference to proposals that include one or more of the following elements:

(a) Financial participation by the private sector, or a public/private partnering approach;

(b) Identification and monitoring of system capacities for elements of the built environment, and to the extent appropriate, of the natural environment;

(c) Coordination with state, federal, and tribal governments in project review;

(d) Furtherance of important state objectives related to economic development, protection of areas of statewide significance, and siting of essential public facilities;

(e) Programs to improve the efficiency and effectiveness of the permitting process by greater reliance on integrated plans and prospective environmental analysis;

(f) Programs for effective citizen and neighborhood involvement that contribute to greater likelihood that planning decisions can be implemented with community support;

(g) Programs to identify environmental impacts and establish mitigation measures that provide effective means to satisfy concurrency requirements and establish project consistency with the plans; or

(h) Environmental review that addresses the impacts of increased density or intensity of comprehensive plans, subarea plans, or receiving areas designated by a city or town under the regional transfer of development rights program in chapter 43.362 RCW.

(5) If the local funding includes funding provided by other state functional planning programs, including open space planning and watershed or basin planning, the functional plan shall be integrated into and be consistent with the comprehensive plan.

(6) State agencies shall work with grant or loan recipients to facilitate state and local project review processes that will implement the projects receiving grants or loans under this section.

(7) The department may not award a grant from the growth management planning and environmental review fund to a county or city unless the county or city has certified to the department, and the department has confirmed, that the county or city is in compliance with the reporting requirements in RCW 36.70B.080(2) or that the city or county is not subject to the reporting requirements in RCW 36.70B.080(2).

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