

**SHB 2474 - H AMD 1015**

By Representative Peterson

**ADOPTED 02/12/2024**

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 35.21  
4 RCW to read as follows:

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

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

11 (b) A developer for permanent supportive housing, transitional  
12 housing, indoor emergency housing, or indoor emergency shelters that  
13 alleges a zoning ordinance or development regulations adopted by the  
14 city prevents the siting of housing or shelter in violation of RCW  
15 35.21.683, 36.130.020, or, if applicable, 36.70A.070(2)(c).

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

21 (3) If dispute resolution is unsuccessful, the city must submit  
22 the project permit application, any development agreement, any zoning  
23 ordinance and related development regulations, or any other relevant  
24 documents, including a statement of the reason for any denial,  
25 rescission, or conditions of approval, the requirements necessary to  
26 fulfill the development agreement or development regulations, or how  
27 the adopted ordinance and development regulations comply with RCW  
28 35.21.683, to the department of commerce for review.

29 (4)(a) If the department of commerce finds that the final  
30 decision on the project permit application, a development agreement,  
31 or another permitting process violates RCW 35.21.683, 36.130.020, or,  
32 if applicable, 36.70A.070(2)(c), the department shall reverse the

1 final decision and return it to the city for approval, modification,  
2 or further proceedings.

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

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

12 (b) The final decision of the department of commerce under  
13 subsection (4)(b) of this section may be appealed to the growth  
14 management hearings board by filing a petition as provided in RCW  
15 36.70A.290.

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

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

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

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

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

38 (7) An applicant submitting a project permit application, a  
39 development agreement, or other documents for permanent supportive  
40 housing, transitional housing, indoor emergency housing, or indoor

1 emergency shelters may submit a copy of the project permit  
2 application, development agreement, or other documents to the  
3 department of commerce. An applicant also may request a review of any  
4 denial, rescission, or conditions for approval by a city.

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

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

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 35A.21  
9 RCW to read as follows:

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

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

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

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

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

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

1 (b) If the department of commerce finds that a zoning ordinance  
2 or development regulations adopted by the code city prevents the  
3 siting of housing or shelter in violation of RCW 35A.21.430,  
4 36.130.020, or, if applicable, 36.70A.070(2)(c), the department must  
5 issue a determination of noncompliance.

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

10 (b) The final decision of the department of commerce under  
11 subsection (4)(b) of this section may be appealed to the growth  
12 management hearings board by filing a petition as provided in RCW  
13 36.70A.290.

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

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

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

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

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

36 (7) An applicant submitting a project permit application, a  
37 development agreement, or other documents for permanent supportive  
38 housing, transitional housing, indoor emergency housing, or indoor  
39 emergency shelters may submit a copy of the project permit  
40 application, development agreement, or other documents to the

1 department of commerce. An applicant also may request a review of any  
2 denial, rescission, or conditions for approval by a code city.

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

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

6 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.

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