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**SENATE BILL 5312**

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**State of Washington 67th Legislature 2021 Regular Session**

**By** Senators Mullet, Liias, and Van De Wege

AN ACT Relating to facilitating transit-oriented development and increasing housing inventory; and amending RCW 36.70A.500.

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

**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)(a) Appropriations to the growth management planning and environmental review fund established in RCW 36.70A.490 for the purpose of grants to cities to facilitate transit-oriented development may be used to pay for the costs associated with the preparation of state environmental policy act environmental impact statements, planned action ordinances, subarea plans, costs associated with the utilization of other tools under the state environmental policy act, and the costs of local code adoption and implementation of such efforts.

(b) Grant awards may only fund efforts that 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.

(8) The department shall prioritize applications for grants to facilitate transit-oriented development that maximize the following policy objectives in the area covered by a proposal:

(a) The total number of housing units authorized for new development;

(b) The proximity and quality of transit access in the area;

(c) Plans that authorize up to six stories of building height;

(d) Plans that authorize ground floor retail with housing above;

(e) Plans in areas that minimize or eliminate on-site parking requirements;

(f) Existence or establishment of incentive zoning, mandatory affordability, or other tools to promote low-income housing in the area;

(g) Plans that include dedicated policies to support public or nonprofit funded low-income or workforce housing; and

(h) Plans designed to maximize and increase the variety of allowable housing types and expected sale or rental rates.

(9) For purposes of this section, "transit access" includes walkable access to:

(a) Light rail and other fixed guideway rail systems;

(b) Bus rapid transit;

(c) High frequency bus service; or

(d) Park and ride lots.

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