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HOUSE BILL 2160

State of Washington 68th Legislature 2024 Regular Session

By Representatives Reed, Fey, Mena, Alvarado, Berry, Bateman, Ormsby, Ramel, Macri, Street, Peterson, Gregerson, Ryu, Cortes, Riccelli, Doglio, and Pollet; by request of Office of the Governor

Prefiled 01/05/24. Read first time 01/08/24. Referred to Committee on Housing.

AN ACT Relating to promoting community and transit-oriented 1 2 housing development; amending RCW 36.70A.500, 36.70A.620, 3 43.21C.229; reenacting and amending RCW 36.70A.030; adding a new section to chapter 47.01 RCW; adding a new section to chapter 36.70A 4 RCW; adding a new section to chapter 44.28 RCW; adding a new section 5 to chapter 64.38 RCW; adding a new section to chapter 64.90 RCW; 6 7 adding a new section to chapter 64.34 RCW; adding a new section to 8 chapter 64.32 RCW; and creating a new section.

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

Sec. 1. The legislature finds that the state has NEW SECTION. made groundbreaking investments in state-of-the-art mass transit and intermodal infrastructure. The legislature finds that to maximize the state's return on these investments, land use policies and practices must allow housing development to keep pace with progress being implemented in transportation infrastructure development. The legislature also intends new development to reflect the state's commitment to affordable housing and vibrant, walkable, accessible environments that improve health, expand multimodal transportation options, and include varied community facilities, parks, and green spaces that are open to people of all income levels.

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1 The legislature recognizes that cities planning under chapter 36.70A RCW require direction and technical assistance to ensure the 2 benefits of state transportation investments are maximized and shared 3 equitably while avoiding unnecessary programmatic and cost burdens to 4 local governments in their comprehensive planning, code enactment, 5 6 and permit processing workloads. The legislature further recognizes 7 that regulatory flexibility and local control are also important features of optimal planning outcomes. 8

- 9 <u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 47.01 10 RCW to read as follows:
- 11 (1) The department must create a new division within its agency or expand an existing division within its agency and designate a liaison to serve as a point of contact and resource for the department, local governments, and project proponents regarding land use decisions and processing development permit applications. The liaison's priority must be to facilitate and expedite any department decisions required for project approval.
- 18 (2) The department must adopt any rules necessary to implement 19 this section.
- 20 **Sec. 3.** RCW 36.70A.030 and 2023 c 332 s 2 and 2023 c 228 s 14 21 are each reenacted and amended to read as follows:
- Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

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- (1) "Active transportation" means forms of pedestrian mobility including walking or running, the use of a mobility assistive device such as a wheelchair, bicycling and cycling irrespective of the number of wheels, and the use of small personal devices such as foot scooters or skateboards. Active transportation includes both traditional and electric assist bicycles and other devices. Planning for active transportation must consider and address accommodation pursuant to the Americans with disabilities act and the distinct needs of each form of active transportation.
- 33 (2) "Active transportation facilities" means facilities provided 34 for the safety and mobility of active transportation users including, 35 but not limited to, trails, as defined in RCW 47.30.005, sidewalks, 36 bike lanes, shared-use paths, and other facilities in the public 37 right-of-way.

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(3) "Administrative design review" means a development permit process whereby an application is reviewed, approved, or denied by the planning director or the planning director's designee based solely on objective design and development standards without a public predecision hearing, unless such review is otherwise required by state or federal law, or the structure is a designated landmark or historic district established under a local preservation ordinance. A city may utilize public meetings, hearings, or voluntary review boards to consider, recommend, or approve requests for variances from locally established design review standards.

- (4) "Adopt a comprehensive land use plan" means to enact a new comprehensive land use plan or to update an existing comprehensive land use plan.
- (5) "Affordable housing" means, unless the context clearly indicates otherwise, residential housing whose monthly costs, including utilities other than telephone, do not exceed ((thirty)) 30 percent of the monthly income of a household whose income is:
- (a) For rental housing, 60 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development; or
- (b) For owner-occupied housing, 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.
- (6) "Agricultural land" means land primarily devoted to the commercial production of horticultural, viticultural, floricultural, dairy, apiary, vegetable, or animal products or of berries, grain, hay, straw, turf, seed, Christmas trees not subject to the excise tax imposed by RCW 84.33.100 through 84.33.140, finfish in upland hatcheries, or livestock, and that has long-term commercial significance for agricultural production.
 - (7) "City" means any city or town, including a code city.
- (8) "Comprehensive land use plan," "comprehensive plan," or "plan" means a generalized coordinated land use policy statement of the governing body of a county or city that is adopted pursuant to this chapter.
- (9) "Cottage housing" means residential units on a lot with a common open space that either: (a) Is owned in common; or (b) has

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units owned as condominium units with property owned in common and a minimum of 20 percent of the lot size as open space.

- (10) "Courtyard apartments" means up to four attached dwelling units arranged on two or three sides of a yard or court.
- (11) "Critical areas" include the following areas and ecosystems:

 (a) Wetlands; (b) areas with a critical recharging effect on aquifers used for potable water; (c) fish and wildlife habitat conservation areas; (d) frequently flooded areas; and (e) geologically hazardous areas. "Fish and wildlife habitat conservation areas" does not include such artificial features or constructs as irrigation delivery systems, irrigation infrastructure, irrigation canals, or drainage ditches that lie within the boundaries of and are maintained by a port district or an irrigation district or company.
 - (12) "Department" means the department of commerce.
- (13) "Development regulations" or "regulation" means the controls placed on development or land use activities by a county or city, including, but not limited to, zoning ordinances, critical areas ordinances, shoreline master programs, official controls, planned unit development ordinances, subdivision ordinances, and binding site plan ordinances together with any amendments thereto. A development regulation does not include a decision to approve a project permit application, as defined in RCW 36.70B.020, even though the decision may be expressed in a resolution or ordinance of the legislative body of the county or city.
- (14) "Emergency housing" means temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless that is intended to address the basic health, food, clothing, and personal hygiene needs of individuals or families. Emergency housing may or may not require occupants to enter into a lease or an occupancy agreement.
- (15) "Emergency shelter" means a facility that provides a temporary shelter for individuals or families who are currently homeless. Emergency shelter may not require occupants to enter into a lease or an occupancy agreement. Emergency shelter facilities may include day and warming centers that do not provide overnight accommodations.
- (16) "Environmental justice" means the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to development, implementation, and enforcement of environmental laws, regulations,

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and policies. Environmental justice includes addressing disproportionate environmental and health impacts in all laws, rules, and policies with environmental impacts by prioritizing vulnerable populations and overburdened communities and the equitable distribution of resources and benefits.

- (17) "Extremely low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((thirty)) 30 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.
- (18) "Floor area ratio" means a measure of development intensity equal to building square footage, excluding areas used for parking, interior openings in floor plates, such as vent shafts, stairwells, and elevator shafts, and mechanical floors or areas, divided by the developable property square footage. Developable property excludes lots or portions of lots with critical areas and critical area buffers as designated in RCW 36.70A.060, as well as public facilities.
- (19) "Forestland" means land primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, including Christmas trees subject to the excise tax imposed under RCW 84.33.100 through 84.33.140, and that has long-term commercial significance. In determining whether forestland is primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, the following factors shall be considered: (a) The proximity of the land to urban, suburban, and rural settlements; (b) surrounding parcel size and the compatibility and intensity of adjacent and nearby land uses; (c) long-term local economic conditions that affect the ability to manage for timber production; and (d) the availability of public facilities and services conducive to conversion of forestland to other uses.
- (((19))) <u>(20)</u> "Freight rail dependent uses" means buildings and other infrastructure that are used in the fabrication, processing, storage, and transport of goods where the use is dependent on and makes use of an adjacent short line railroad. Such facilities are both urban and rural development for purposes of this chapter. "Freight rail dependent uses" does not include buildings and other

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infrastructure that are used in the fabrication, processing, storage, and transport of coal, liquefied natural gas, or "crude oil" as defined in RCW 90.56.010.

- $((\frac{(20)}{(20)}))$ "Geologically hazardous areas" means areas that because of their susceptibility to erosion, sliding, earthquake, or other geological events, are not suited to the siting of commercial, residential, or industrial development consistent with public health or safety concerns.
- (((21))) <u>(22)</u> "Green infrastructure" means a wide array of natural assets and built structures within an urban growth area boundary, including parks and other areas with protected tree canopy, and management practices at multiple scales that manage wet weather and that maintain and restore natural hydrology by storing, infiltrating, evapotranspiring, and harvesting and using stormwater.
- $((\frac{(22)}{)})$ "Green space" means an area of land, vegetated by natural features such as grass, trees, or shrubs, within an urban context and less than one acre in size that creates public value through one or more of the following attributes:
 - (a) Is accessible to the public;

- (b) Promotes physical and mental health of residents;
- (c) Provides relief from the urban heat island effects;
 - (d) Promotes recreational and aesthetic values;
- 23 (e) Protects streams or water supply; or
- 24 (f) Preserves visual quality along highway, road, or street 25 corridors.
 - $((\frac{(23)}{(24)}))$ <u>(24)</u> "Long-term commercial significance" includes the growing capacity, productivity, and soil composition of the land for long-term commercial production, in consideration with the land's proximity to population areas, and the possibility of more intense uses of the land.
 - (((24))) (25) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((eighty)) 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.
- $((\frac{(25)}{(25)}))$ (26) "Major transit stop" means:
- 38 (a) A stop on a high capacity transportation system funded or 39 expanded under the provisions of chapter 81.104 RCW;
 - (b) Commuter rail stops;

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- (c) Stops on rail or fixed guideway systems; or
- (d) Stops on bus rapid transit routes.

- (((26))) <u>(27)</u> "Middle housing" means buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached, stacked, or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing.
- $((\frac{(27)}{)})$ <u>(28)</u> "Minerals" include gravel, sand, and valuable 9 metallic substances.
 - (((28))) (29) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below 120 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.
 - $((\frac{(29)}{(29)}))$ <u>(30)</u> "Overburdened community" means a geographic area where vulnerable populations face combined, multiple environmental harms and health impacts, and includes, but is not limited to, highly impacted communities as defined in RCW 19.405.020.
 - (((30))) <u>(31)</u> "Per capita vehicle miles traveled" means the number of miles traveled using cars and light trucks in a calendar year divided by the number of residents in Washington. The calculation of this value excludes vehicle miles driven conveying freight.
 - (((31+))) (32) "Permanent supportive housing" is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with onsite or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services. Permanent supportive housing is subject to all of the rights and

responsibilities defined in chapter 59.18 RCW.

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(((32))) <u>(33)</u> "Public facilities" include streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, domestic water systems, storm and sanitary sewer systems, parks and recreational facilities, and schools.

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- 5 (((33))) <u>(34)</u> "Public services" include fire protection and 6 suppression, law enforcement, public health, education, recreation, 7 environmental protection, and other governmental services.
 - (((34))) <u>(35)</u> "Recreational land" means land so designated under RCW 36.70A.1701 and that, immediately prior to this designation, was designated as agricultural land of long-term commercial significance under RCW 36.70A.170. Recreational land must have playing fields and supporting facilities existing before July 1, 2004, for sports played on grass playing fields.
- $((\frac{35}{}))$ <u>(36)</u> "Rural character" refers to the patterns of land use and development established by a county in the rural element of its comprehensive plan:
 - (a) In which open space, the natural landscape, and vegetation predominate over the built environment;
 - (b) That foster traditional rural lifestyles, rural-based economies, and opportunities to both live and work in rural areas;
- 21 (c) That provide visual landscapes that are traditionally found 22 in rural areas and communities;
- 23 (d) That are compatible with the use of the land by wildlife and for fish and wildlife habitat;
 - (e) That reduce the inappropriate conversion of undeveloped land into sprawling, low-density development;
- 27 (f) That generally do not require the extension of urban 28 governmental services; and
- 29 (g) That are consistent with the protection of natural surface 30 water flows and groundwater and surface water recharge and discharge 31 areas.
- (((36))) "Rural development" refers to development outside 32 the urban growth area and outside agricultural, forest, and mineral 33 resource lands designated pursuant to RCW 36.70A.170. Rural 34 development can consist of a variety of uses and residential 35 densities, including clustered residential development, at levels 36 that are consistent with the preservation of rural character and the 37 requirements of the rural element. Rural development does not refer 38 39 to agriculture or forestry activities that may be conducted in rural 40 areas.

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- (((37))) <u>(38)</u> "Rural governmental services" or "rural services" include those public services and public facilities historically and typically delivered at an intensity usually found in rural areas, and may include domestic water systems and fire and police protection services associated with rural development and normally not associated with urban areas. Rural services do not include storm or sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).
- (((38))) <u>(39)</u> "Short line railroad" means those railroad lines designated class II or class III by the United States surface transportation board.
- $((\frac{39}{39}))$ <u>(40)</u> "Single-family zones" means those zones where single-family detached housing is the predominant land use.
- $((\frac{40}{}))$ <u>(41)</u> "Stacked flat" means dwelling units in a residential building of no more than three stories on a residential zoned lot in which each floor may be separately rented or owned.
 - ((41))) (42)(a) "Station area" means all lots that are:
 - (i) Fully within an urban growth area; and
 - (ii) Fully or partially within:

- (A) One-half mile walking distance of an entrance to a train station with a stop on a light rail system, a commuter rail stop, or a stop on rail or fixed quideway systems; and
- (B) One-quarter mile walking distance of a stop on a bus rapid transit route that features fixed transit assets that indicate permanent, high capacity service including, but not limited to, elevated platforms or enhanced stations, off-board fare collection, dedicated lanes, busways, or traffic signal priority.
- (b) A city planning under RCW 36.70A.040 may adopt a station area variance to alter the station area designation, but only after consultation with and approval by the department.
- (43) "Townhouses" means buildings that contain three or more attached single-family dwelling units that extend from foundation to roof and that have a yard or public way on not less than two sides.
- ((42))) (44) "Transportation system" means all infrastructure and services for all forms of transportation within a geographical area, irrespective of the responsible jurisdiction or transportation provider.
- ((43)) (45) "Urban governmental services" or "urban services" include those public services and public facilities at an intensity historically and typically provided in cities, specifically including storm and sanitary sewer systems, domestic water systems, street

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cleaning services, fire and police protection services, public transit services, and other public utilities associated with urban areas and normally not associated with rural areas.

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((44))) (46) "Urban growth" refers to growth that makes 4 intensive use of land for the location of buildings, structures, and 5 6 impermeable surfaces to such a degree as to be incompatible with the primary use of land for the production of food, other agricultural 7 products, or fiber, or the extraction of mineral resources, rural 8 uses, rural development, and natural resource lands designated 9 10 pursuant to RCW 36.70A.170. A pattern of more intensive rural development, as provided in RCW 36.70A.070(5)(d), is not urban 11 12 growth. When allowed to spread over wide areas, urban growth typically requires urban governmental services. "Characterized by 13 urban growth" refers to land having urban growth located on it, or to 14 15 land located in relationship to an area with urban growth on it as to 16 be appropriate for urban growth.

17 $((\frac{45}{1}))$ <u>(47)</u> "Urban growth areas" means those areas designated by a county pursuant to RCW 36.70A.110.

((46))) (48) "Very low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((fifty)) 50 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

((47)) (49)(a) "Vulnerable populations" means population groups that are more likely to be at higher risk for poor health outcomes in response to environmental harms, due to: (i) Adverse socioeconomic factors, such as unemployment, high housing and transportation costs relative to income, limited access to nutritious food and adequate health care, linguistic isolation, and other factors that negatively affect health outcomes and increase vulnerability to the effects of environmental harms; and (ii) sensitivity factors, such as low birth weight and higher rates of hospitalization.

- (b) "Vulnerable populations" includes, but is not limited to:
- (i) Racial or ethnic minorities;
 - (ii) Low-income populations; and
- 37 (iii) Populations disproportionately impacted by environmental 38 harms.
- $((\frac{(48)}{(48)}))$ <u>(50)</u> "Wetland" or "wetlands" means areas that are inundated or saturated by surface water or groundwater at a frequency

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- 1 and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically 2 adapted for life in saturated soil conditions. Wetlands generally 3 include swamps, marshes, bogs, and similar areas. Wetlands do not 4 include those artificial wetlands intentionally created from 5 6 nonwetland sites, including, but not limited to, irrigation and drainage ditches, grass-lined swales, canals, detention facilities, 7 wastewater treatment facilities, farm ponds, and landscape amenities, 8 or those wetlands created after July 1, 1990, 9 unintentionally created as a result of the construction of a road, 10 11 street, or highway. Wetlands may include those artificial wetlands 12 intentionally created from nonwetland areas created to mitigate conversion of wetlands. 13
- (((49))) (51) "Wildland urban interface" means the geographical area where structures and other human development meets or intermingles with wildland vegetative fuels.
- NEW SECTION. Sec. 4. A new section is added to chapter 36.70A RCW to read as follows:
 - (1) Cities planning under RCW 36.70A.040 may not enact or enforce any development regulation within a station area that would prohibit the siting of multifamily residential housing on lots where any other residential use is permissible.
- 23 (2)(a) Cities planning under RCW 36.70A.040 must allow new residential and mixed-use development within any station area at the transit-oriented development density of:
 - (i) At least 3.5 floor area ratio, on average, within one-half mile walking distance of a stop on a light rail system, a commuter rail stop, or a stop on rail or fixed guideway systems; and
- 29 (ii) At least 2.5 floor area ratio, on average, within one-30 quarter mile walking distance of a stop on a bus rapid transit route.
 - (b) Cities planning under RCW 36.70A.040 may not enact or enforce any development regulation that imposes:
 - (i) A maximum floor area ratio of less than the transit-oriented development density in this subsection for any residential or mixed-use development within a station area; or
- 36 (ii) A maximum residential density, measured in residential units 37 per acre or other metric of land area within a station area.
 - (3) For the purposes of this section:

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1 (a) "Mixed-use development" means a building with more than 50 percent of the gross floor area dedicated to residential uses.

- (b) "Stop" includes any existing stop and any stop funded for development and projected for construction within an applicable sixyear transit plan under RCW 35.58.2795. "Stop" does not include a stop used exclusively for bus service, including express bus service operated by a regional transit agency as defined under chapter 81.104 RCW, unless the stop also serves a bus rapid transit route.
- (4) The department must develop guidance to convert different types of planning measurements to the transit-oriented development density requirements and applicable floor area ratios.
- (5) Within any station area, any building in which all units are affordable housing for at least 50 years or are dedicated to permanent supportive housing, an additional 1.5 floor area ratio must be permitted. If a city has enacted or expands a program under RCW 36.70A.540 in an area where development regulations must comply with this section, that program, including the amount of affordable housing required either on-site or through an in-lieu payment, governs to the extent it varies from the requirements of this subsection.
- (6) Any floor area within a building located in a station area that is reserved for residential units in multifamily housing that includes at least three bedrooms must not be counted toward applicable floor area ratio limits. A city may require the residential units to comply with affordability requirements to be eligible for an exclusion from the applicable floor area ratio limits.
- (7) Cities planning under RCW 36.70A.040 may by ordinance designate parts of a station area in which to enact or enforce floor area ratios for residential or mixed-use development that are more or less than the applicable transit-oriented development density, if the average maximum floor area ratio of all residential and mixed-use areas within a station area is no less than the applicable transit-oriented development density.
- (8) At least 10 percent of all residential units in buildings constructed within a station area must be maintained as affordable housing for at least 50 years, unless:
- 38 (a) The building is constructed on a lot in which a density that 39 meets or exceeds the transit-oriented development density in

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1 subsection (2) of this section was authorized prior to January 1, 2024;

- (b) The building is subject to affordability requirements with a lower income threshold or a greater amount of required affordable housing that were enacted by a city prior to January 1, 2024; or
- (c) A city has enacted or expands a mandatory program under RCW 36.70A.540 that requires a minimum amount of affordable housing that must be provided by residential development, either on-site or through an in-lieu payment as allowed by RCW 36.70A.540, in an area where development regulations must comply with this section. Such mandatory program may be enacted, modified, or expanded by a city in coordination with adopting regulations to comply with this act, and may require an amount of affordable housing that differs or exceeds the amount required. An optional program established under RCW 36.70A.540 does not meet the requirements of this subsection (8)(c).
- (9) (a) No later than the deadlines established in subsection (14) of this section, cities planning under RCW 36.70A.040 must act to modify or repeal any existing development regulations applicable in a station area that, alone or in combination, are inconsistent with this section.
- (b) After the effective date of this section, cities planning under RCW 36.70A.040 may not enact any development regulations applicable in a station area that, alone or in combination with other development regulations, are inconsistent with this section.
- (c) This subsection (9) does not apply to development regulations that are generally applicable health and safety standards, including building code standards and fire and life safety standards.
- (10) Any city subject to the requirements of this section may apply to the department for planning grants and consult with the department for purposes of obtaining technical assistance and compliance review with development regulation adoption, pursuant to RCW 36.70A.500(7).
- (11) Nothing in this section requires alteration, displacement, or limitation of industrial or agricultural uses or industrial or agricultural areas within the urban growth area.
- 36 (12) Nothing in this section requires a city to issue a building 37 permit if other federal, state, and local requirements for a building 38 permit are not met.
- 39 (13) Cities planning under RCW 36.70A.040 may exclude from the 40 requirements in this section any lot or portion of a lot that:

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(a) Is designated as a shoreline environment governed by a shoreline master program or as a critical area governed by a critical area ordinance;

- (b) Is nonconforming with development regulations governing lot dimensions including, but not limited to, standards related to lot width, area, geometry, or street access, unless an applicant demonstrates that the nonconforming lot may be developed in compliance with the development regulations governing lot dimensions by obtaining any modification, deviation, variance, or similar code departure approval allowed under the development regulations;
- (c) Contains a designated landmark or is located within a historic district established under a local preservation ordinance adopted prior to the effective date of this section;
- (d) Has been designated as containing urban separators by countywide planning policies as of the effective date of this section; or
- (e) Is an industrial or agricultural designated lot that either is limited to one dwelling unit per lot or only allows housing for individuals and their families responsible for caretaking, farm work, security, or maintenance.
- (14) (a) Any city that is required to review its comprehensive plan by December 31, 2024, as specified in RCW 36.70A.130(5)(a), must comply with the requirements of this section no later than its first implementation progress report due after December 31, 2024, and thereafter at each comprehensive plan update or implementation progress report following the completion or funding of any transit stop that would create a new station area within the jurisdiction.
- (b) Any city that is required to review its comprehensive plan after December 31, 2024, as specified in RCW 36.70A.130(5) (b), (c), or (d), must comply with the requirements of this section no later than six months after its first comprehensive plan update due after December 31, 2024, and thereafter at each comprehensive plan update or implementation progress report following the completion or funding of any transit stop that would create a new station area within the jurisdiction.
- (c) A federally recognized Indian tribe may voluntarily choose to participate in the planning process to implement the requirements of this section in accordance with RCW 36.70A.040(8).
- 39 (15)(a)(i) No later than August 1, 2024, the governor shall convene a work group to develop a list of antidisplacement guiding

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- 1 principles and strategies. The work group must be comprised, at a 2 minimum, of the following members:
- 3 (A) Representatives of impacted cities, including at least one 4 representative of a city that does not have extensive staffing or 5 resources;
 - (B) A representative of impacted tenants;
 - (C) A representative of ethnic or cultural associations;
- 8 (D) A representative of an organization advocating for affordable 9 housing;
 - (E) A representative of an association representing tenants;
- 11 (F) A representative with experience developing affordable 12 housing;
- 13 (G) A representative of an organization advocating for nonprofit 14 builders of affordable housing;
 - (H) A representative from a development industry association; and
- 16 (I) Other representatives with experience developing or 17 implementing antidisplacement strategies.
 - (ii) The work group must:

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- (A) Develop definitions for displacement and gentrification;
- 20 (B) Develop a list of recommended antidisplacement strategies, 21 including strategies that mitigate the impacts of displacement and 22 protect against gentrification; and
- 23 (C) Identify the potential costs and funding sources to implement 24 the strategies.
- 25 (iii) By September 30, 2024, the work group must submit a report of its findings and recommendations to the department.
- (b) No later than October 15, 2024, the department shall develop, and make available to cities, antidisplacement guiding principles and a list of potential strategies.
 - (16) (a) A city may seek an extension from the transit-oriented development density requirements of this section by applying to the department for an extension in any areas that are at risk of displacement on the statewide antidisplacement map created by the department, another map based on quantifiable data demonstrating the risk of displacement, or areas of lower opportunity based on income, access to resources, and other economic factors according to quantitative and statistically valid data.
- 38 (b) The department must certify an extension from the 39 requirements of this section for areas at risk of displacement as 40 determined by the antidisplacement analysis that a jurisdiction is

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required to complete under RCW 36.70A.070(2) or an antidisplacement map as described in (a) of this subsection.

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- (c) The city and the department must agree on the city plan to mitigate the impacts of displacement and an implementation plan that includes specific antidisplacement policies. The plan must include strategies from the list developed by the work group in subsection (15) of this section unless the city can demonstrate that another strategy would mitigate the impact of displacement.
- (d) In addition to antidisplacement policies, the city may implement alternative floor area ratio requirements in areas deemed at greater risk of displacement under an antidisplacement analysis, including reducing floor area ratios or applying varying floor area ratios within the station area for as long as the area remains at risk of displacement.
- (17)(a)(i) The department may approve actions under this subsection (17) for cities that have, by January 1, 2024, adopted a plan and implementing development regulations for a specific station area that are substantially similar to the requirements of this section for that station area. In determining whether a city's adopted plan and development regulations are substantially similar, the department's evaluation may include, but not be limited to, if:
- (A) The regulations will provide a development capacity and allow the opportunity for creation of affordable housing that is at least equivalent to the amount of development capacity and affordable housing that would be allowed in that station area if the specific provisions of this section were adopted;
- (B) The jurisdiction offers a way to achieve buildings that exceed 85 feet in height; and
- (C) No lot within the station area is zoned exclusively for detached single-family residences.
- 31 (ii) The department must establish by rule any standards or 32 procedures necessary to implement (a) of this subsection.
 - (b) Any local actions approved by the department pursuant to (a) of this subsection are exempt from appeals under this chapter and chapter 43.21C RCW.
- 36 (c) The department's final decision to approve or reject actions 37 by cities under this subsection (17) may be appealed to the growth 38 management hearings board by filing a petition as provided in RCW 39 36.70A.290.

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- NEW SECTION. Sec. 5. A new section is added to chapter 44.28 RCW to read as follows:
- 3 (1) The joint committee shall review jurisdictions' experiences 4 with:

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- (a) The effects of the 10 percent affordable housing requirement under section 4 of this act;
 - (b) In-lieu payment options for affordable housing requirements, including how such payments were structured and the amount of housing created using in-lieu payments; and
- 10 (c) Requirements for transit-oriented development density around 11 fixed route transit stops providing frequent bus service.
- 12 (2) In evaluating the impacts under this section, the joint 13 committee must conduct case studies that consider the following 14 factors:
- 15 (a) The effects on housing supply, including the supply of 16 affordable housing;
- 17 (b) The implementation of transit-oriented development density 18 regulations; and
 - (c) How statewide transit-oriented development density regulations are interacting with residential housing construction and development in specific cities, including at least one city located east of the crest of the Cascade mountains, at least one city located in a county with a population greater than 900,000 but less than 1,000,000, and at least one city located in a county with a population greater than 800,000 but less than 900,000.
 - (3) In conducting its evaluation, the joint committee must consult with the following entities:
 - (a) Representatives of the department of commerce;
- 29 (b) Representatives of the Washington state housing finance 30 commission;
- 31 (c) Representatives of the University of Washington's Runstad 32 department of real estate;
- 33 (d) Representatives of regional transportation planning 34 organizations that include cities with station areas;
- 35 (e) Representatives of transit agencies serving areas that 36 include cities with station areas;
- 37 (f) Representatives of affordable housing advocacy organizations 38 working in cities with station areas;
- 39 (g) Representatives of the for-profit housing development 40 industry working in cities with station areas;

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1 (h) Representatives of the nonprofit housing development industry 2 working in cities with station areas;

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- (i) Representatives of cities located east of the crest of the Cascade mountains; and
- 5 (j) Representatives of cities located west of the crest of the 6 Cascade mountains.
- 7 (4) The joint committee must complete the review and evaluation 8 required under this section by June 30, 2035.
 - Sec. 6. 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:
- 29 (a) Improves the process for project permit review while 30 maintaining environmental quality; or
- 31 (b) Encourages use of plans and information developed for 32 purposes of complying with this chapter to satisfy requirements of 33 other state programs.
- 34 (3) In order to qualify for a grant or loan, a county or city 35 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,

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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:
- 23 (a) Financial participation by the private sector, or a public/ 24 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;
- 28 (c) Coordination with state, federal, and tribal governments in 29 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;
- 39 (g) Programs to identify environmental impacts and establish 40 mitigation measures that provide effective means to satisfy

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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) Subject to the availability of amounts appropriated to the growth management planning and environmental review fund established in RCW 36.70A.490, the department may:
- (i) Award grants to cities to facilitate transit-oriented development consistent with subsection (8) of this section. Cities may use such grants 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 this chapter or the state environmental policy act, and the costs of local code adoption and implementation of such efforts; and
- (ii) Provide technical assistance and award planning grants to cities to implement the requirements under section 4 of this act and provide compliance review of any transit-oriented development regulations adopted consistent with section 4 of this act.
- (b) Grant awards under (a) (i) of this subsection 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) In consultation with the department of transportation, the department shall prioritize applications for grants under subsection (7)(a)(i) of this section that maximize the following policy principles in the area covered by a proposal:
- 38 <u>(a) The total number of housing units authorized for new</u> 39 <u>development in station areas;</u>

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1 (b) The proximity and quality of transit access in the area. For
2 purposes of this subsection, "transit access" includes walkable
3 access to light rail and other fixed guideway rail systems and bus
4 rapid transit;

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- (c) Plans that exceed applicable transit-oriented development densities for station areas;
- (d) Plans that authorize, but do not mandate, ground floor retail with housing above;
 - (e) Plans in areas that eliminate on-site parking requirements;
- 10 <u>(f) Existence or establishment of incentive zoning, inclusionary</u> 11 housing, or other tools to promote low-income housing in the area;
- 12 <u>(g) Plans that include dedicated policies to support public or</u> 13 <u>nonprofit funded low-income or workforce housing; and</u>
- 14 <u>(h) Plans designed to maximize and increase the variety of</u>
 15 <u>allowable housing types and expected sale or rental rates.</u>
- 16 **Sec. 7.** RCW 36.70A.620 and 2020 c 173 s 3 are each amended to read as follows:
 - ((In counties and cities planning under RCW 36.70A.040, minimum residential parking requirements mandated by municipal zoning ordinances for housing units constructed after July 1, 2019, are subject to the following requirements:
 - (1) For housing units that are affordable to very low-income or extremely low-income individuals and that are located within onequarter mile of a transit stop that receives transit service at least two times per hour for twelve or more hours per day, minimum residential parking requirements may be no greater than one parking space per bedroom or .75 space per unit. A city may require a developer to record a covenant that prohibits the rental of a unit subject to this parking restriction for any purpose other than providing for housing for very low-income or extremely low-income individuals. The covenant must address price restrictions and household income limits and policies if the property is converted to a use other than for low-income housing. A city may establish a requirement for the provision of more than one parking space per bedroom or .75 space per unit if the jurisdiction has determined a particular housing unit to be in an area with a lack of access to street parking capacity, physical space impediments, or other reasons supported by evidence that would make on-street parking infeasible for the unit.

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(2) For housing units that are specifically for seniors or people with disabilities, that are located within one-quarter mile of a transit stop that receives transit service at least four times per hour for twelve or more hours per day, a city may not impose minimum residential parking requirements for the residents of such housing units, subject to the exceptions provided in this subsection. A city may establish parking requirements for staff and visitors of such housing units. A city may establish a requirement for the provision of one or more parking space per bedroom if the jurisdiction has determined a particular housing unit to be in an area with a lack of access to street parking capacity, physical space impediments, or other reasons supported by evidence that would make on-street parking infeasible for the unit. A city may require a developer to record a covenant that prohibits the rental of a unit subject to this parking restriction for any purpose other than providing for housing for seniors or people with disabilities.

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(3) For market rate multifamily housing units that are located within one-quarter mile of a transit stop that receives transit service from at least one route that provides service at least four times per hour for twelve or more hours per day, minimum residential parking requirements may be no greater than one parking space per bedroom or .75 space per unit. A city or county may establish a requirement for the provision of more than one parking space per bedroom or .75 space per unit if the jurisdiction has determined a particular housing unit to be in an area with a lack of access to street parking capacity, physical space impediments, or other reasons supported by evidence that would make on-street parking infeasible for the unit.)) (1) To encourage transit-oriented development and transit use and resulting substantial environmental benefits, cities planning under RCW 36.70A.040 may not require off-street automobile parking as a condition of permitting residential or mixed-use development within a station area as defined in RCW 36.70A.030, except for off-street automobile parking that is permanently marked for the exclusive use of individuals with disabilities.

(2) If a project permit application within a station area, as defined in RCW 36.70B.020, does not provide parking in compliance with this section, the proposed absence of parking may not be treated as a basis for issuance of a determination of significance pursuant to chapter 43.21C RCW.

(3) The parking provisions of this section do not apply:

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- (a) If a local government submits to the department an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and the department finds and certifies, that the application of the parking limitations under subsection (1) of this section will be significantly less safe for automobile drivers or passengers, pedestrians, or bicyclists than if the jurisdiction's parking requirements were applied to the same location. The department must develop guidance to assist cities and counties on items to include in the study; or
- 10 <u>(b) To portions of cities within a one-mile radius of a</u>
 11 <u>commercial airport in Washington with at least 9,000,000 annual</u>
 12 enplanements.
 - (4) If a residential or mixed-use development provides parking for residential uses in excess of what is required in subsection (1) of this section, cities planning under RCW 36.70A.040 may enact or enforce development regulations to:
- 17 <u>(a) Require a share of any provided residential parking to be</u>
 18 <u>distributed between units designated as affordable housing and units</u>
 19 <u>offered at market rate; and</u>
- 20 <u>(b) Include all or a portion of the cost of unbundled parking</u>
 21 <u>charges into the monthly cost for rental units designated as</u>
 22 <u>affordable housing.</u>
- **Sec. 8.** RCW 43.21C.229 and 2023 c 368 s 1 are each amended to 24 read as follows:
 - (1) The purpose of this section is to accommodate infill and housing development and thereby realize the goals and policies of comprehensive plans adopted according to chapter 36.70A RCW.
 - (2) A city or county planning under RCW 36.70A.040 is authorized by this section to establish categorical exemptions from the requirements of this chapter. An exemption may be adopted by a city or county under this subsection if it meets the following criteria:
 - (a) It categorically exempts government action related to development proposed to fill in an urban growth area, designated according to RCW 36.70A.110, where current density and intensity of use in the area is roughly equal to or lower than called for in the goals and policies of the applicable comprehensive plan and the development is either:
 - (i) Residential development;

(ii) Mixed-use development; or

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1 (iii) Commercial development up to 65,000 square feet, excluding 2 retail development;

- (b) It does not exempt government action related to development that is inconsistent with the applicable comprehensive plan or would clearly exceed the density or intensity of use called for in the goals and policies of the applicable comprehensive plan;
- (c) The local government considers the specific probable adverse environmental impacts of the proposed action and determines that these specific impacts are adequately addressed by the development regulations or other applicable requirements of the comprehensive plan, subarea plan element of the comprehensive plan, planned action ordinance, or other local, state, or federal rules or laws; and
- (d)(i) The city or county's applicable comprehensive plan was previously subjected to environmental analysis through an environmental impact statement under the requirements of this chapter prior to adoption; or
- (ii) The city or county has prepared an environmental impact statement that considers the proposed use or density and intensity of use in the area proposed for an exemption under this section.
- (3) All project actions that propose to develop one or more residential housing units within the incorporated areas in an urban growth area designated pursuant to RCW 36.70A.110 or middle housing within the unincorporated areas in an urban growth area designated pursuant to RCW 36.70A.110, and that meet the criteria identified in (a) and (b) of this subsection, are categorically exempt from the requirements of this chapter. For purposes of this section, "middle housing" has the same meaning as in RCW 36.70A.030 as amended by chapter 332, Laws of 2023. Jurisdictions shall satisfy the following criteria prior to the adoption of the categorical exemption under this subsection (3):
- (a) The city or county shall find that the proposed development is consistent with all development regulations implementing an applicable comprehensive plan adopted according to chapter 36.70A RCW by the jurisdiction in which the development is proposed, with the exception of any development regulation that is inconsistent with applicable provisions of chapter 36.70A RCW; and
- (b) The city or county has prepared environmental analysis that considers the proposed use or density and intensity of use in the area proposed for an exemption under this section and analyzes multimodal transportation impacts, including impacts to neighboring

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1 jurisdictions, transit facilities, and the state transportation 2 system.

- (i) Such environmental analysis shall include documentation that the requirements for environmental analysis, protection, and mitigation for impacts to elements of the environment have been adequately addressed for the development exempted. The requirements may be addressed in locally adopted comprehensive plans, subarea plans, adopted development regulations, other applicable local ordinances and regulations, or applicable state and federal regulations. The city or county must document its consultation with the department of transportation on impacts to state-owned transportation facilities including consideration of whether mitigation is necessary for impacts to transportation facilities.
- (ii) Before finalizing the environmental analysis pursuant to (b)(i) of this subsection (3), the city or county shall provide a minimum of 60 days' notice to affected tribes, relevant state agencies, other jurisdictions that may be impacted, and the public. If a city or county identifies that mitigation measures are necessary to address specific probable adverse impacts, the city or county must address those impacts by requiring mitigation identified in the environmental analysis pursuant to this subsection (3)(b) through locally adopted comprehensive plans, subarea plans, development regulations, or other applicable local ordinances and regulations. Mitigation measures shall be detailed in an associated environmental determination.
 - (iii) The categorical exemption is effective 30 days following action by a city or county pursuant to (b)(ii) of this subsection (3).
 - (4) Until September 30, 2025, all project actions that propose to develop one or more residential housing or middle housing units within a city west of the crest of the Cascade mountains with a population of 700,000 or more are categorically exempt from the requirements of this chapter. After September 30, 2025, project actions that propose to develop one or more residential housing or middle housing units within the city may utilize the categorical exemption in subsection (3) of this section.
 - (5) All project actions that propose to develop residential or mixed-use development within any station area up to the transit-oriented development density required under section 4 of this act are categorically exempt from the requirements of this chapter.

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(6) Any categorical exemption adopted by a city or county under this section applies even if it differs from the categorical exemptions adopted by rule of the department under RCW 43.21C.110(1)(a). Nothing section in this shall invalidate categorical exemptions or environmental review procedures adopted by a city or county under a planned action pursuant to RCW 43.21C.440. However, any categorical exemption adopted by a city or county under this section shall be subject to the rules of the department adopted according to RCW 43.21C.110(1)(a) that provide exceptions to the use of categorical exemptions adopted by the department.

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NEW SECTION. Sec. 9. A new section is added to chapter 64.38 RCW to read as follows:

Governing documents created after the effective date of this section and applicable to associations located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transitoriented development density that must be permitted by cities under section 4 of this act or require off-street parking inconsistent or in conflict with RCW 36.70A.620.

NEW SECTION. Sec. 10. A new section is added to chapter 64.90 RCW to read as follows:

Declarations and governing documents created after the effective date of this section and applicable to a common interest community located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 4 of this act or require offstreet parking inconsistent or in conflict with RCW 36.70A.620.

NEW SECTION. Sec. 11. A new section is added to chapter 64.34 RCW to read as follows:

A declaration created after the effective date of this section and applicable to an association located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transitoriented development density that must be permitted by cities under section 4 of this act or require off-street parking inconsistent or in conflict with RCW 36.70A.620.

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<u>NEW SECTION.</u> **Sec. 12.** A new section is added to chapter 64.32 RCW to read as follows:

A declaration created after the effective date of this section and applicable to an association of apartment owners located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 4 of this act or require off-street parking inconsistent or in conflict with RCW 36.70A.620.

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