
SUBSTITUTE SENATE BILL 5466

State of Washington

68th Legislature

2023 Regular Session

By Senate Transportation (originally sponsored by Senators Lias, Gildon, Kuderer, Lovelett, MacEwen, Mullet, Braun, Billig, Dhingra, Frame, Hunt, Kauffman, Nguyen, Nobles, Pedersen, Saldaña, Salomon, Shewmake, Stanford, Valdez, Van De Wege, and C. Wilson; by request of Office of the Governor)

READ FIRST TIME 02/24/23.

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

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

9 NEW SECTION. **Sec. 1.** The legislature finds that the state has
10 made groundbreaking investments in state-of-the-art mass transit and
11 intermodal infrastructure. The legislature finds that to maximize the
12 state's return on these investments, land use policies and practices
13 must keep pace with progress being implemented in transportation
14 infrastructure development.

15 The legislature recognizes that cities planning under chapter
16 36.70A RCW require direction and technical assistance to ensure the
17 benefits of state transportation investments are maximized and shared
18 equitably while avoiding unnecessary programmatic and cost burdens to
19 local governments in their comprehensive planning, code enactment,
20 and permit processing workloads. The legislature further recognizes

1 that regulatory flexibility and local control are also important
2 features of optimal planning outcomes.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.01
4 RCW to read as follows:

5 (1) The department must create a new division within its agency
6 or expand an existing division within its agency to do the following:

7 (a) Provide technical assistance and award planning grants to
8 cities to implement the requirements under section 6 of this act;

9 (b) Provide compliance review of any transit-oriented development
10 regulations adopted consistent with section 6 of this act; and

11 (c) Mediate or help resolve disputes between the department,
12 local governments, and project proponents regarding land use
13 decisions and processing development permit applications.

14 (2) The department must adopt any rules necessary to implement
15 this section.

16 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.01
17 RCW to read as follows:

18 (1) The department, in consultation with the department of
19 commerce, must establish and administer a competitive grant program
20 to assist in the financing of housing projects within rapid transit
21 corridors.

22 (2) Entities eligible to receive grant awards are state agencies,
23 local governments, and nonprofit or for-profit housing developers.
24 Eligible uses of grant awards include project capital costs and
25 infrastructure costs and addressing gaps in project financing that
26 would prevent ongoing or complete project construction.

27 (3)(a) Except as provided in (b) of this subsection, eligible
28 housing projects must meet the following requirements:

29 (i) Be within one-quarter mile of a rapid transit corridor. For
30 purposes of this section, "rapid transit corridor" includes light
31 rail, commuter rail, bus rapid transit, and bus stops that meet
32 certain high-use thresholds as defined in rule;

33 (ii) Comply with floor area ratio or net density minimums as
34 defined in rule;

35 (iii) Produce at least 100 units of housing; and

36 (iv) Include a covenant on the property requiring at least 20
37 percent of units remain affordable for households with incomes at or
38 below 80 percent of area median income for at least 99 years.

1 (b) No more than five percent of grant funds may be awarded to
2 housing projects within rapid transit corridors that meet the
3 requirements under (a) of this subsection, except for requirements
4 under (a)(i) or (iii) of this subsection.

5 (4) The department must prioritize eligible projects by occupancy
6 date, with a target occupancy date of December 31, 2025. The
7 department must also consider the following criteria when
8 prioritizing projects:

- 9 (a) Are comprised of the largest percentage of affordable units;
- 10 (b) Have a high concentration of units affordable to households
11 with incomes at or below 50 percent area median income;
- 12 (c) Do not include costs related to land acquisition;
- 13 (d) Include land acquired at a reduced price or without cost;
- 14 (e) Abide by antidisplacement measures, if appropriate;
- 15 (f) Submitted by community-based housing developers;
- 16 (g) Include units with additional bedrooms or intended for
17 occupancy by families with multiple dependents; or
- 18 (h) Have acquired all necessary permits.

19 (5) The department may adopt any necessary rules to implement the
20 competitive grant program under this section, including any
21 additional project eligibility criteria and prioritization criteria.

22 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.01
23 RCW to read as follows:

24 (1) The transit-oriented development housing partnership account
25 is created in the custody of the state treasurer.

26 (2) Revenues to the account must consist of appropriations by the
27 legislature and any gifts, grants, donations, or other private
28 contribution received by the secretary for the purposes set forth in
29 subsection (3) of this section.

30 (3) Expenditures from the account may be used only for the
31 following:

32 (a) Administration of the competitive grant program under section
33 3 of this act, including any technical assistance provided by the
34 department to eligible entities; and

35 (b) Costs related to technical assistance, awarding planning
36 grants, compliance review, and resolution services provided by the
37 department under section 2 of this act.

38 (4) Only the secretary or the secretary's designee may authorize
39 expenditures from the account. The account is subject to allotment

1 procedures under chapter 43.88 RCW, but an appropriation is not
2 required for expenditures.

3 **Sec. 5.** RCW 36.70A.030 and 2021 c 254 s 6 are each amended to
4 read as follows:

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

7 (1) "Adopt a comprehensive land use plan" means to enact a new
8 comprehensive land use plan or to update an existing comprehensive
9 land use plan.

10 (2) "Affordable housing" means, unless the context clearly
11 indicates otherwise, residential housing whose monthly costs,
12 including utilities other than telephone, do not exceed thirty
13 percent of the monthly income of a household whose income is:

14 (a) For rental housing, sixty percent of the median household
15 income adjusted for household size, for the county where the
16 household is located, as reported by the United States department of
17 housing and urban development; or

18 (b) For owner-occupied housing, (~~eighty~~) 80 percent of the
19 median household income adjusted for household size, for the county
20 where the household is located, as reported by the United States
21 department of housing and urban development.

22 (3) "Agricultural land" means land primarily devoted to the
23 commercial production of horticultural, viticultural, floricultural,
24 dairy, apiary, vegetable, or animal products or of berries, grain,
25 hay, straw, turf, seed, Christmas trees not subject to the excise tax
26 imposed by RCW 84.33.100 through 84.33.140, finfish in upland
27 hatcheries, or livestock, and that has long-term commercial
28 significance for agricultural production.

29 (4) "City" means any city or town, including a code city.

30 (5) "Comprehensive land use plan," "comprehensive plan," or
31 "plan" means a generalized coordinated land use policy statement of
32 the governing body of a county or city that is adopted pursuant to
33 this chapter.

34 (6) "Critical areas" include the following areas and ecosystems:

35 (a) Wetlands; (b) areas with a critical recharging effect on aquifers
36 used for potable water; (c) fish and wildlife habitat conservation
37 areas; (d) frequently flooded areas; and (e) geologically hazardous
38 areas. "Fish and wildlife habitat conservation areas" does not
39 include such artificial features or constructs as irrigation delivery

1 systems, irrigation infrastructure, irrigation canals, or drainage
2 ditches that lie within the boundaries of and are maintained by a
3 port district or an irrigation district or company.

4 (7) "Department" means the department of commerce.

5 (8) "Development regulations" or "regulation" means the controls
6 placed on development or land use activities by a county or city,
7 including, but not limited to, zoning ordinances, critical areas
8 ordinances, shoreline master programs, official controls, planned
9 unit development ordinances, subdivision ordinances, and binding site
10 plan ordinances together with any amendments thereto. A development
11 regulation does not include a decision to approve a project permit
12 application, as defined in RCW 36.70B.020, even though the decision
13 may be expressed in a resolution or ordinance of the legislative body
14 of the county or city.

15 (9) "Emergency housing" means temporary indoor accommodations for
16 individuals or families who are homeless or at imminent risk of
17 becoming homeless that is intended to address the basic health, food,
18 clothing, and personal hygiene needs of individuals or families.
19 Emergency housing may or may not require occupants to enter into a
20 lease or an occupancy agreement.

21 (10) "Emergency shelter" means a facility that provides a
22 temporary shelter for individuals or families who are currently
23 homeless. Emergency shelter may not require occupants to enter into a
24 lease or an occupancy agreement. Emergency shelter facilities may
25 include day and warming centers that do not provide overnight
26 accommodations.

27 (11) "Extremely low-income household" means a single person,
28 family, or unrelated persons living together whose adjusted income is
29 at or below (~~thirty~~) 30 percent of the median household income
30 adjusted for household size, for the county where the household is
31 located, as reported by the United States department of housing and
32 urban development.

33 (12) "Floor area ratio" means a measure of development intensity
34 equal to building square footage divided by property square footage.

35 (13) "Forestland" means land primarily devoted to growing trees
36 for long-term commercial timber production on land that can be
37 economically and practically managed for such production, including
38 Christmas trees subject to the excise tax imposed under RCW 84.33.100
39 through 84.33.140, and that has long-term commercial significance. In
40 determining whether forestland is primarily devoted to growing trees

1 for long-term commercial timber production on land that can be
2 economically and practically managed for such production, the
3 following factors shall be considered: (a) The proximity of the land
4 to urban, suburban, and rural settlements; (b) surrounding parcel
5 size and the compatibility and intensity of adjacent and nearby land
6 uses; (c) long-term local economic conditions that affect the ability
7 to manage for timber production; and (d) the availability of public
8 facilities and services conducive to conversion of forestland to
9 other uses.

10 ~~((13))~~ (14) "Freight rail dependent uses" means buildings and
11 other infrastructure that are used in the fabrication, processing,
12 storage, and transport of goods where the use is dependent on and
13 makes use of an adjacent short line railroad. Such facilities are
14 both urban and rural development for purposes of this chapter.
15 "Freight rail dependent uses" does not include buildings and other
16 infrastructure that are used in the fabrication, processing, storage,
17 and transport of coal, liquefied natural gas, or "crude oil" as
18 defined in RCW 90.56.010.

19 ~~((14))~~ (15) "Geologically hazardous areas" means areas that
20 because of their susceptibility to erosion, sliding, earthquake, or
21 other geological events, are not suited to the siting of commercial,
22 residential, or industrial development consistent with public health
23 or safety concerns.

24 ~~((15))~~ (16) "Long-term commercial significance" includes the
25 growing capacity, productivity, and soil composition of the land for
26 long-term commercial production, in consideration with the land's
27 proximity to population areas, and the possibility of more intense
28 uses of the land.

29 ~~((16))~~ (17) "Low-income household" means a single person,
30 family, or unrelated persons living together whose adjusted income is
31 at or below ~~((eighty))~~ 80 percent of the median household income
32 adjusted for household size, for the county where the household is
33 located, as reported by the United States department of housing and
34 urban development.

35 ~~((17))~~ (18) "Major transit station" means a site within an
36 urban growth area that is, or has been funded for development as:

37 (a) A stop on a high capacity transportation system funded or
38 expanded under chapter 81.104 RCW;

39 (b) A commuter rail stop; or

1 (c) A stop on rail or fixed guideway systems, including
2 transitways.

3 (19) "Major transit stop" means a site within an urban growth
4 area that is, or has been funded for development as:

5 (a) A major transit station characterized by fostering the
6 interconnection of multiple transit routes, including at least one of
7 the following modes: High capacity transit, light rail, or commuter
8 rail;

9 (b) A stop on a high capacity transit route or a route that runs
10 on high occupancy vehicle lanes; or

11 (c) A fixed route transit stop providing frequent transit service
12 that operates seven days per week with a minimum of three buses per
13 hour for a span of at least 10 hours a day during weekdays.

14 (20) "Minerals" include gravel, sand, and valuable metallic
15 substances.

16 ~~((18))~~ (21) "Moderate-income household" means a single person,
17 family, or unrelated persons living together whose adjusted income is
18 at or below 120 percent of the median household income adjusted for
19 household size, for the county where the household is located, as
20 reported by the United States department of housing and urban
21 development.

22 ~~((19))~~ (22) "Permanent supportive housing" is subsidized,
23 leased housing with no limit on length of stay that prioritizes
24 people who need comprehensive support services to retain tenancy and
25 utilizes admissions practices designed to use lower barriers to entry
26 than would be typical for other subsidized or unsubsidized rental
27 housing, especially related to rental history, criminal history, and
28 personal behaviors. Permanent supportive housing is paired with on-
29 site or off-site voluntary services designed to support a person
30 living with a complex and disabling behavioral health or physical
31 health condition who was experiencing homelessness or was at imminent
32 risk of homelessness prior to moving into housing to retain their
33 housing and be a successful tenant in a housing arrangement, improve
34 the resident's health status, and connect the resident of the housing
35 with community-based health care, treatment, or employment services.
36 Permanent supportive housing is subject to all of the rights and
37 responsibilities defined in chapter 59.18 RCW.

38 ~~((20))~~ (23) "Public facilities" include streets, roads,
39 highways, sidewalks, street and road lighting systems, traffic

1 signals, domestic water systems, storm and sanitary sewer systems,
2 parks and recreational facilities, and schools.

3 ~~((21))~~ (24) "Public services" include fire protection and
4 suppression, law enforcement, public health, education, recreation,
5 environmental protection, and other governmental services.

6 ~~((22))~~ (25) "Recreational land" means land so designated under
7 RCW 36.70A.1701 and that, immediately prior to this designation, was
8 designated as agricultural land of long-term commercial significance
9 under RCW 36.70A.170. Recreational land must have playing fields and
10 supporting facilities existing before July 1, 2004, for sports played
11 on grass playing fields.

12 ~~((23))~~ (26) "Rural character" refers to the patterns of land
13 use and development established by a county in the rural element of
14 its comprehensive plan:

15 (a) In which open space, the natural landscape, and vegetation
16 predominate over the built environment;

17 (b) That foster traditional rural lifestyles, rural-based
18 economies, and opportunities to both live and work in rural areas;

19 (c) That provide visual landscapes that are traditionally found
20 in rural areas and communities;

21 (d) That are compatible with the use of the land by wildlife and
22 for fish and wildlife habitat;

23 (e) That reduce the inappropriate conversion of undeveloped land
24 into sprawling, low-density development;

25 (f) That generally do not require the extension of urban
26 governmental services; and

27 (g) That are consistent with the protection of natural surface
28 water flows and groundwater and surface water recharge and discharge
29 areas.

30 ~~((24))~~ (27) "Rural development" refers to development outside
31 the urban growth area and outside agricultural, forest, and mineral
32 resource lands designated pursuant to RCW 36.70A.170. Rural
33 development can consist of a variety of uses and residential
34 densities, including clustered residential development, at levels
35 that are consistent with the preservation of rural character and the
36 requirements of the rural element. Rural development does not refer
37 to agriculture or forestry activities that may be conducted in rural
38 areas.

39 ~~((25))~~ (28) "Rural governmental services" or "rural services"
40 include those public services and public facilities historically and

1 typically delivered at an intensity usually found in rural areas, and
2 may include domestic water systems, fire and police protection
3 services, transportation and public transit services, and other
4 public utilities associated with rural development and normally not
5 associated with urban areas. Rural services do not include storm or
6 sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).

7 ~~((26))~~ (29) "Short line railroad" means those railroad lines
8 designated class II or class III by the United States surface
9 transportation board.

10 ~~((27))~~ (30) "Station area" means all parcels that are (a) fully
11 within an urban growth area and (b) fully or partially within a
12 three-quarter mile walking distance of a major transit stop. A city
13 planning under RCW 36.70A.040 may adopt a station area variance, but
14 only after consultation with and approval by the department of
15 transportation.

16 (31) "Station hub" means all parcels that are (a) fully within an
17 urban growth area and (b) fully or partially within a one-quarter
18 mile walking distance of a major transit station. A city planning
19 under RCW 36.70A.040 may adopt a station hub variance, but only after
20 consultation with and approval by the department of transportation.

21 (32) "Transit-oriented density" means a floor area ratio of at
22 least 4.0 for all uses that are permitted in the station area, and a
23 floor area of at least 6.0 for all uses that are permitted in the
24 station hub.

25 (33) "Urban governmental services" or "urban services" include
26 those public services and public facilities at an intensity
27 historically and typically provided in cities, specifically including
28 storm and sanitary sewer systems, domestic water systems, street
29 cleaning services, fire and police protection services, public
30 transit services, and other public utilities associated with urban
31 areas and normally not associated with rural areas.

32 ~~((28))~~ (34) "Urban growth" refers to growth that makes
33 intensive use of land for the location of buildings, structures, and
34 impermeable surfaces to such a degree as to be incompatible with the
35 primary use of land for the production of food, other agricultural
36 products, or fiber, or the extraction of mineral resources, rural
37 uses, rural development, and natural resource lands designated
38 pursuant to RCW 36.70A.170. A pattern of more intensive rural
39 development, as provided in RCW 36.70A.070(5)(d), is not urban
40 growth. When allowed to spread over wide areas, urban growth

1 typically requires urban governmental services. "Characterized by
2 urban growth" refers to land having urban growth located on it, or to
3 land located in relationship to an area with urban growth on it as to
4 be appropriate for urban growth.

5 ~~((29))~~ (35) "Urban growth areas" means those areas designated
6 by a county pursuant to RCW 36.70A.110.

7 ~~((30))~~ (36) "Very low-income household" means a single person,
8 family, or unrelated persons living together whose adjusted income is
9 at or below ~~((fifty))~~ 50 percent of the median household income
10 adjusted for household size, for the county where the household is
11 located, as reported by the United States department of housing and
12 urban development.

13 ~~((31))~~ (37) "Wetland" or "wetlands" means areas that are
14 inundated or saturated by surface water or groundwater at a frequency
15 and duration sufficient to support, and that under normal
16 circumstances do support, a prevalence of vegetation typically
17 adapted for life in saturated soil conditions. Wetlands generally
18 include swamps, marshes, bogs, and similar areas. Wetlands do not
19 include those artificial wetlands intentionally created from
20 nonwetland sites, including, but not limited to, irrigation and
21 drainage ditches, grass-lined swales, canals, detention facilities,
22 wastewater treatment facilities, farm ponds, and landscape amenities,
23 or those wetlands created after July 1, 1990, that were
24 unintentionally created as a result of the construction of a road,
25 street, or highway. Wetlands may include those artificial wetlands
26 intentionally created from nonwetland areas created to mitigate
27 conversion of wetlands.

28 NEW SECTION. **Sec. 6.** A new section is added to chapter 36.70A
29 RCW to read as follows:

30 (1) Cities planning under RCW 36.70A.040 may not enact or enforce
31 any development regulation within a station area that would prohibit
32 the siting of multifamily residential housing on parcels where any
33 other residential use is permissible.

34 (2) Within any station area or station hub, any maximum floor
35 area ratio otherwise enacted or enforceable under this section must
36 include an increased density bonus of 50 percent for affordable
37 housing for households with incomes at or below 60 percent area
38 median income, for permanent supportive housing, or for long-term
39 inpatient care as defined in RCW 71.24.025. Any floor area within a

1 station area that is reserved for use by (a) a child care facility as
2 defined in RCW 35.63.170 or (b) a small business as defined in RCW
3 19.85.020, and residential units in multifamily housing that includes
4 at least three bedrooms, must not be counted toward applicable floor
5 area ratio limits.

6 (3)(a) Except as provided in (c) of this subsection, cities
7 planning under RCW 36.70A.040 may not enact any new development
8 regulation that imposes a maximum floor area ratio of less than the
9 applicable transit-oriented density for any use otherwise permitted
10 within a station area or station hub.

11 (b) Cities planning under RCW 36.70A.040 may not enact any new
12 development regulation that imposes a maximum residential density,
13 measured in residential units per acre or other metric of land area
14 within a station area or station hub.

15 (c) As an alternative to (a) of this subsection, cities planning
16 under RCW 36.70A.040 may by ordinance designate parts of a station
17 area or station hub in which to enact or enforce floor area ratios
18 that are more or less than the applicable transit-oriented density,
19 if:

20 (i) The average maximum floor area ratio of all buildable land
21 within a station area or station hub is no less than the applicable
22 transit-oriented density; and

23 (ii) No part of a station hub is subject to a maximum floor area
24 ratio that is less than 1.0, and no part of a station area is subject
25 to a maximum floor area ratio that is less than 0.5.

26 (4) Any city planning under RCW 36.70A.040 that has, as of the
27 effective date of this section, enacted any development regulation
28 that imposes within any station area or station hub (a) a maximum
29 floor area ratio of less than the applicable transit-oriented density
30 or (b) a maximum residential density measured in residential units
31 per acre or other metric of land area, the city must enforce and
32 apply such development regulation consistent with the requirements of
33 this section.

34 (5)(a) Except as provided in (b) of this subsection, cities
35 planning under RCW 36.70A.040 may not enforce upon any parcel in a
36 station area any development standard that renders it impracticable
37 on that parcel to build a usable structure for the permitted uses at
38 the (i) applicable transit-oriented density or (ii) applicable floor
39 area ratio imposed under subsection (3)(c) of this section.

1 (b) This subsection (5) does not apply to development standards
2 contained in a shoreline master program or critical area ordinance,
3 or to any parcel that:

4 (i) Is nonconforming, legally or otherwise, with applicable local
5 subdivision standards including, but not limited to, standards
6 related to lot width, area, geometry, or street access; or

7 (ii) Is listed in the Washington heritage register described in
8 RCW 27.34.220 or the national register of historic places.

9 (6) Any city subject to the requirements of this section may
10 apply to the department of transportation for planning grants and
11 consult with the department of transportation for purposes of
12 obtaining technical assistance and compliance review with development
13 regulation adoption, pursuant to section 2 of this act.

14 (7) Nothing in this section requires alteration, displacement, or
15 limitation of industrial uses or industrial areas within the urban
16 growth area.

17 (8) (a) This section does not limit the amount of affordable
18 housing that a city may require to be provided, either on-site or
19 through an in-lieu payment, pursuant to a program enacted or expanded
20 under RCW 36.70A.540.

21 (b) This section does not modify, limit, or supersede
22 requirements under chapter 64.55 RCW.

23 (9) A city planning under RCW 36.70A.040 must comply with the
24 requirements of this section, and collaborate with federally
25 recognized tribes in accordance with RCW 36.70A.040(8) regarding such
26 requirements, by the time of its next periodic comprehensive plan
27 update required under RCW 36.70A.130.

28 **Sec. 7.** RCW 36.70A.500 and 2012 1st sp.s. c 1 s 310 are each
29 amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (7)(a) Subject to the availability of funds appropriated to the
36 growth management planning and environmental review fund established
37 in RCW 36.70A.490 in the omnibus transportation appropriations act
38 for the purpose of awarding grants to cities to facilitate transit-
39 oriented development, the department may use such grants to pay for
40 the costs associated with the preparation of state environmental

1 policy act environmental impact statements, planned action
2 ordinances, subarea plans, costs associated with the utilization of
3 other tools under this chapter or the state environmental policy act,
4 and the costs of local code adoption and implementation of such
5 efforts.

6 (b) Grant awards under this subsection (7) may only fund efforts
7 that address environmental impacts and consequences, alternatives,
8 and mitigation measures in sufficient detail to allow the analysis to
9 be adopted in whole or in part by applicants for development permits
10 within the geographic area analyzed in the plan.

11 (8) In consultation with the department of transportation, the
12 department shall prioritize applications for grants to facilitate
13 transit-oriented development under subsection (7) of this section
14 that maximize the following policy objectives in the area covered by
15 a proposal:

16 (a) The total number of housing units authorized for new
17 development in station areas, with specific attention to station
18 hubs;

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

20 (c) Plans that exceed applicable transit-oriented densities for
21 station areas and station hubs;

22 (d) Plans that authorize, but do not mandate, ground floor retail
23 with housing above;

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

25 (f) Existence or establishment of incentive zoning, inclusionary
26 housing, use of the multifamily tax exemption, or other tools to
27 promote low-income housing in the area;

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

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

32 (i) Organization planning and financing of housing benefit
33 districts.

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

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

37 (b) Bus rapid transit;

38 (c) High frequency bus service; or

39 (d) Park and ride lots.

1 **Sec. 8.** RCW 36.70A.620 and 2020 c 173 s 3 are each amended to
2 read as follows:

3 ~~((In counties and cities planning under RCW 36.70A.040, minimum
4 residential parking requirements mandated by municipal zoning
5 ordinances for housing units constructed after July 1, 2019, are
6 subject to the following requirements:~~

7 ~~(1) For housing units that are affordable to very low-income or
8 extremely low-income individuals and that are located within one-
9 quarter mile of a transit stop that receives transit service at least
10 two times per hour for twelve or more hours per day, minimum
11 residential parking requirements may be no greater than one parking
12 space per bedroom or .75 space per unit. A city may require a
13 developer to record a covenant that prohibits the rental of a unit
14 subject to this parking restriction for any purpose other than
15 providing for housing for very low-income or extremely low-income
16 individuals. The covenant must address price restrictions and
17 household income limits and policies if the property is converted to
18 a use other than for low-income housing. A city may establish a
19 requirement for the provision of more than one parking space per
20 bedroom or .75 space per unit if the jurisdiction has determined a
21 particular housing unit to be in an area with a lack of access to
22 street parking capacity, physical space impediments, or other reasons
23 supported by evidence that would make on-street parking infeasible
24 for the unit.~~

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

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

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

23 **Sec. 9.** RCW 43.21C.229 and 2020 c 87 s 1 are each amended to
24 read as follows:

25 (1) ~~((In order))~~ The purpose of this section is to provide cities
26 and counties with additional flexibility to accommodate infill
27 development, as well as to facilitate the timely and certain
28 deployment of sustainable transit-oriented development, and thereby
29 realize the goals and policies of comprehensive plans adopted
30 according to chapter 36.70A RCW((7-a)).

31 (2) A city or county planning under RCW 36.70A.040 ((is
32 authorized by this section to)) may establish categorical exemptions
33 from the requirements of this chapter((. An exemption adopted under
34 this section applies even if it differs from the categorical
35 exemptions adopted by rule of the department under RCW
36 43.21C.110(1)(a). An exemption may be adopted by a city or county
37 under this section)) if it meets the following criteria:

38 (a) It categorically exempts government action related to
39 development proposed to fill in an urban growth area, designated

1 according to RCW 36.70A.110, where current density and intensity of
2 use in the area is roughly equal to or lower than called for in the
3 goals and policies of the applicable comprehensive plan and the
4 development is either:

5 (i) Residential development;

6 (ii) Mixed-use development; or

7 (iii) Commercial development up to (~~sixty-five thousand~~) 65,000
8 square feet, excluding retail development;

9 (b) It does not exempt government action related to development
10 that is inconsistent with the applicable comprehensive plan or would
11 clearly exceed the density or intensity of use called for in the
12 goals and policies of the applicable comprehensive plan;

13 (c) The local government considers the specific probable adverse
14 environmental impacts of the proposed action and determines that
15 these specific impacts are adequately addressed by the development
16 regulations or other applicable requirements of the comprehensive
17 plan, subarea plan element of the comprehensive plan, planned action
18 ordinance, or other local, state, or federal rules or laws; and

19 (d) (i) The city or county's applicable comprehensive plan was
20 previously subjected to environmental analysis through an
21 environmental impact statement under the requirements of this chapter
22 prior to adoption; or

23 (ii) The city or county has prepared an environmental impact
24 statement that considers the proposed use or density and intensity of
25 use in the area proposed for an exemption under this (~~section~~)
26 subsection.

27 (~~(2) Any~~) (3) Any project action that meets the following
28 criteria is categorically exempt from the requirements of this
29 chapter:

30 (a) It is related to a proposed development that would fill in a
31 station hub or station area as defined in RCW 36.70A.030;

32 (b) It is related to a proposed:

33 (i) Multifamily residential development;

34 (ii) Mixed-use development; or

35 (iii) Commercial development; and

36 (c) It is not inconsistent with the applicable comprehensive
37 plan, and does not clearly exceed the density or intensity of use
38 called for in the goals and policies of the applicable comprehensive
39 plan.

1 (4) Any categorical exemption under this section applies even if
2 it differs from the categorical exemptions adopted by rule of the
3 department of ecology under RCW 43.21C.110(1)(a). However, any
4 categorical exemption ((adopted by a city or county)) under this
5 section ((shall be)) is subject to the rules of the department
6 adopted according to RCW 43.21C.110(1)(a) that provide exceptions to
7 the use of categorical exemptions adopted by the department.

8 NEW SECTION. Sec. 10. A new section is added to chapter 64.38
9 RCW to read as follows:

10 Governing documents created after the effective date of this
11 section and applicable to associations located fully or partially
12 within a station area as defined in RCW 36.70A.030 may not prohibit
13 the construction or development of multifamily housing or transit-
14 oriented density that must be permitted by cities under section 6 of
15 this act or require off-street parking inconsistent or in conflict
16 with RCW 36.70A.620.

17 NEW SECTION. Sec. 11. A new section is added to chapter 64.90
18 RCW to read as follows:

19 Declarations and governing documents created after the effective
20 date of this section and applicable to a common interest community
21 located fully or partially within a station area as defined in RCW
22 36.70A.030 may not prohibit the construction or development of
23 multifamily housing or transit-oriented density that must be
24 permitted by cities under section 6 of this act or require off-street
25 parking inconsistent or in conflict with RCW 36.70A.620.

26 NEW SECTION. Sec. 12. A new section is added to chapter 64.34
27 RCW to read as follows:

28 A declaration created after the effective date of this section
29 and applicable to an association located fully or partially within a
30 station area as defined in RCW 36.70A.030 may not prohibit the
31 construction or development of multifamily housing or transit-
32 oriented density that must be permitted by cities under section 6 of
33 this act or require off-street parking inconsistent or in conflict
34 with RCW 36.70A.620.

35 NEW SECTION. Sec. 13. A new section is added to chapter 64.32
36 RCW to read as follows:

1 A declaration created after the effective date of this section
2 and applicable to an association of apartment owners located fully or
3 partially within a station area as defined in RCW 36.70A.030 may not
4 prohibit the construction or development of multifamily housing or
5 transit-oriented density that must be permitted by cities under
6 section 6 of this act or require off-street parking inconsistent or
7 in conflict with RCW 36.70A.620.

--- END ---