

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

3 "NEW SECTION. **Sec. 1.** The legislature finds that Washington
4 continues to experience a shortage of homes affordable to its
5 residents at all income levels. The legislature further finds that
6 zoning reforms can support an environment that expands opportunities
7 for housing development.

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A
9 RCW to read as follows:

10 (1)(a) Except as provided in (b) of this subsection, any city
11 that is required or chooses to plan under RCW 36.70A.040 with a
12 population of 30,000 or more, as determined by the office of
13 financial management under RCW 43.62.030, or any county that is
14 required or chooses to plan under RCW 36.70A.040 that is not defined
15 as a rural county under RCW 43.160.020, is prohibited from excluding
16 residential uses in areas zoned for commercial or mixed-use
17 development.

18 (b) The requirements of (a) of this subsection do not apply to
19 any portion of a lot that:

20 (i) Is located in an industrial zone area, including zones with
21 an employment overlay prohibiting all residential uses adopted prior
22 to the effective date of this section;

23 (ii) Is within 3,200 feet of an active oil or gas refinery;

24 (iii) Requires the demolition of a structure designated as a
25 historic landmark through a local preservation ordinance;

26 (iv) Is located outside the urban growth area or within any urban
27 growth area that is not contiguous with a city subject to the
28 limitations of (a) of this subsection;

29 (v) Is in an area where residential uses are prohibited to
30 implement RCW 36.70.547 or 36.70A.530;

1 (vi) Is located in a tax increment financing area under chapter
2 39.114 RCW that was established prior to the effective date of this
3 section;

4 (vii) Is adjacent to a shoreline environment where all
5 multifamily residential or mixed-use development is prohibited by a
6 shoreline master program; or

7 (viii) Is located in a critical area buffer or critical area
8 governed by a critical area ordinance, except for critical aquifer
9 recharge areas where a single-family detached house is an allowed use
10 provided that any requirements to maintain aquifer recharge are met.
11 However, where permissible under existing law, critical area buffers
12 and critical areas governed by a critical area ordinance may be
13 included when calculating the allowable density on a given lot.

14 (2)(a) Any city or county subject to the requirements of
15 subsection (1) of this section may not require mixed use or ground
16 floor commercial or retail as a condition of permitting development
17 of residential housing, or a conditional use permit, special use
18 permit, or departure from development regulations or design
19 guidelines related to the location, siting, orientation, or
20 architectural design features of residential or mixed-use development
21 in more than 40 percent of the total acreage in areas zoned for
22 commercial use or mixed use.

23 (b) For any publicly subsidized affordable housing project, a
24 city or county subject to the requirements of subsection (1) of this
25 section may not require mixed-use or ground floor commercial or
26 retail as a condition of permitting development of residential
27 housing, or a conditional use permit, special use permit, or
28 departure from development regulations or design guidelines related
29 to the location, siting, orientation, or architectural design
30 features of residential or mixed-use development in areas zoned for
31 commercial use or mixed use.

32 (c) For the purposes of (a) of this subsection, the following
33 areas are not considered to be zoned for commercial or mixed use:

34 (i) Station areas;

35 (ii) Areas in which the city or county allows for development, or
36 provides a height incentive to allow for development, of up to at
37 least 85 feet;

38 (iii) Areas within an industrial zone area;

39 (iv) Areas within 3,200 feet of an active oil or gas refinery;

1 (v) Areas located outside the urban growth area or within any
2 urban growth area that is not contiguous with a city subject to the
3 limitations of subsection (1) of this section;

4 (vi) Areas where residential uses are prohibited to implement RCW
5 36.70.547 or 36.70A.530;

6 (vii) Areas within a tax increment financing area under chapter
7 39.114 RCW that was established prior to the effective date of this
8 section;

9 (viii) Areas adjacent to a shoreline environment where all
10 multifamily residential or mixed-use development is prohibited by a
11 shoreline master program; and

12 (ix) Areas within a critical area buffer or critical area
13 governed by a critical area ordinance, except for critical aquifer
14 recharge areas where a single-family detached house is an allowed use
15 provided that any requirements to maintain aquifer recharge are met.
16 However, where permissible under existing law, critical area buffers
17 and critical areas governed by a critical area ordinance may be
18 included when calculating the allowable density on a given lot.

19 (3)(a) Any city or county subject to the requirements of
20 subsection (1) of this section shall provide an administrative
21 process for applicants to request a reduction or waiver from the
22 ground floor commercial or retail use regulations applicable to a
23 property. The county's or city's review of such a request must
24 include consideration of the merits of the project and the increase
25 in the number of dwelling units that would result from the reduction
26 or waiver, and may also include consideration of other factors as the
27 county or city deems appropriate. The city or county may establish
28 criteria, timelines, and an application processes for a city's or
29 county's review of the reduction or waiver request.

30 (b) A county or city that has established a process prior to the
31 effective date of this section for the review of requests for the
32 reduction or waiver of ground floor commercial or retail use
33 regulations is not required to adopt a new process under this
34 subsection.

35 (4) Nothing in this section requires a city to issue a building
36 permit if other federal, state, and local requirements for a building
37 permit are not met.

38 (5) Nothing in this section requires a city to update their
39 growth and development assumptions required under this chapter until

1 their next comprehensive plan update required after January 1, 2031,
2 under RCW 36.70A.130.

3 (6) Nothing in this section shall limit or otherwise impede a
4 local government's ability to work with developers, businesses,
5 community groups, and building owners to ensure adequate access to
6 grocery stores in a community including, but not limited to, allowing
7 commercial use of ground floor building spaces for this purpose.

8 (7) Nothing in this section requires or authorizes a local
9 government to invalidate or withdraw a development permit that was
10 issued under regulations that imposed ground floor commercial or
11 mixed use requirements as a condition of permitting the development
12 of residential housing, or a conditional use permit, special use
13 permit, or departure from development regulations or design
14 guidelines related to the location, siting, orientation, or
15 architectural design features of residential or mixed-use development
16 in areas zoned for commercial use or mixed use. If a lot subject to a
17 development permit issued under such regulations within 18 months of
18 the effective date of this act is sold more than 18 months after the
19 effective date of this act, the purchaser must be allowed to file a
20 new development permit application. Nothing in this act prohibits an
21 applicant from withdrawing an existing permit application and
22 submitting a new permit application after the jurisdiction adopts or
23 amends regulations in compliance with subsection (1) and (2) of this
24 section.

25 (8) Nothing in this section limits a local government's ability
26 to impose minimum density requirements within a commercial or mixed-
27 use zone.

28 (9)(a) The requirements of subsection (1) of this section apply
29 and take effect in any city or county that has not adopted or amended
30 ordinances, regulations, or other official controls as required under
31 this section by 18 months after the effective date of this section
32 and supersede, preempt, and invalidate any conflicting local
33 regulations.

34 (b) Any city or county that has not adopted or amended
35 ordinances, regulations, or other official controls in compliance
36 with subsection (2) of this section within 18 months of the effective
37 date of this section may not require mixed-use or ground floor
38 commercial or retail as a condition of permitting development of
39 residential housing, or a conditional use permit, special use permit,
40 or departure from development regulations or design guidelines

1 related to the location, siting, orientation, or architectural design
2 features of residential or mixed-use development in areas zoned for
3 commercial use or mixed use outside of areas listed under subsection
4 (2)(c) of this section until such time as the city or county has come
5 into compliance with the requirements of subsection (2) of this
6 section.

7 (10) For the purposes of this section, "publicly subsidized
8 affordable housing" means any housing that receives or otherwise
9 qualifies for an exemption from real and personal property taxes
10 under RCW 84.36.560."

11 Correct the title.

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