

3SHB 1491 - S AMD  
By Senator Trudeau

ADOPTED AND ENGROSSED 04/15/2025

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

3 "NEW SECTION. **Sec. 1.** The legislature finds that the state has  
4 made groundbreaking investments in state-of-the-art mass transit and  
5 intermodal infrastructure. The legislature finds that to maximize the  
6 state's return on these investments, land use policies and practices  
7 must allow housing development to keep pace with progress being  
8 implemented in transportation infrastructure development. The  
9 legislature also intends new development to reflect the state's  
10 commitment to affordable housing and vibrant, walkable, accessible  
11 urban environments that improve health, expand multimodal  
12 transportation options, and include varied community facilities,  
13 parks, and green spaces that are open to people of all income levels.  
14 The legislature recognizes that cities planning under chapter  
15 36.70A RCW require direction and technical assistance to ensure the  
16 benefits of state transportation investments are maximized and shared  
17 equitably while avoiding unnecessary programmatic and cost burdens to  
18 local governments in their comprehensive planning, code enactment,  
19 and permit processing workloads. The legislature further recognizes  
20 that regulatory flexibility and local control are also important  
21 features of optimal planning outcomes.

22 **Sec. 2.** RCW 36.70A.030 and 2024 c 152 s 1 are each amended to  
23 read as follows:

24 Unless the context clearly requires otherwise, the definitions in  
25 this section apply throughout this chapter.

26 (1) "Active transportation" means forms of pedestrian mobility  
27 including walking or running, the use of a mobility assistive device  
28 such as a wheelchair, bicycling and cycling irrespective of the  
29 number of wheels, and the use of small personal devices such as foot  
30 scooters or skateboards. Active transportation includes both  
31 traditional and electric assist bicycles and other devices. Planning

1 for active transportation must consider and address accommodation  
2 pursuant to the Americans with disabilities act and the distinct  
3 needs of each form of active transportation.

4 (2) "Active transportation facilities" means facilities provided  
5 for the safety and mobility of active transportation users including,  
6 but not limited to, trails, as defined in RCW 47.30.005, sidewalks,  
7 bike lanes, shared-use paths, and other facilities in the public  
8 right-of-way.

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

19 (4) "Adopt a comprehensive land use plan" means to enact a new  
20 comprehensive land use plan or to update an existing comprehensive  
21 land use plan.

22 (5) "Affordable housing" means, unless the context clearly  
23 indicates otherwise, residential housing whose monthly costs,  
24 including utilities other than telephone, do not exceed (~~(thirty)~~) 30  
25 percent of the monthly income of a household whose income is:

26 (a) For rental housing, 60 percent of the median household income  
27 adjusted for household size, for the county where the household is  
28 located, as reported by the United States department of housing and  
29 urban development; or

30 (b) For owner-occupied housing, 80 percent of the median  
31 household income adjusted for household size, for the county where  
32 the household is located, as reported by the United States department  
33 of housing and urban development.

34 (6) "Agricultural land" means land primarily devoted to the  
35 commercial production of horticultural, viticultural, floricultural,  
36 dairy, apiary, vegetable, or animal products or of berries, grain,  
37 hay, straw, turf, seed, Christmas trees not subject to the excise tax  
38 imposed by RCW 84.33.100 through 84.33.140, finfish in upland  
39 hatcheries, or livestock, and that has long-term commercial  
40 significance for agricultural production.

1 (7) "City" means any city or town, including a code city.

2 (8) "Comprehensive land use plan," "comprehensive plan," or  
3 "plan" means a generalized coordinated land use policy statement of  
4 the governing body of a county or city that is adopted pursuant to  
5 this chapter.

6 (9) "Cottage housing" means residential units on a lot with a  
7 common open space that either: (a) Is owned in common; or (b) has  
8 units owned as condominium units with property owned in common and a  
9 minimum of 20 percent of the lot size as open space.

10 (10) "Courtyard apartments" means attached dwelling units  
11 arranged on two or three sides of a yard or court.

12 (11) "Critical areas" include the following areas and ecosystems:  
13 (a) Wetlands; (b) areas with a critical recharging effect on aquifers  
14 used for potable water; (c) fish and wildlife habitat conservation  
15 areas; (d) frequently flooded areas; and (e) geologically hazardous  
16 areas. "Fish and wildlife habitat conservation areas" does not  
17 include such artificial features or constructs as irrigation delivery  
18 systems, irrigation infrastructure, irrigation canals, or drainage  
19 ditches that lie within the boundaries of and are maintained by a  
20 port district or an irrigation district or company.

21 (12) "Department" means the department of commerce.

22 (13) "Development regulations" or "regulation" means the controls  
23 placed on development or land use activities by a county or city,  
24 including, but not limited to, zoning ordinances, critical areas  
25 ordinances, shoreline master programs, official controls, planned  
26 unit development ordinances, subdivision ordinances, and binding site  
27 plan ordinances together with any amendments thereto. A development  
28 regulation does not include a decision to approve a project permit  
29 application, as defined in RCW 36.70B.020, even though the decision  
30 may be expressed in a resolution or ordinance of the legislative body  
31 of the county or city.

32 (14) "Emergency housing" means temporary indoor accommodations  
33 for individuals or families who are homeless or at imminent risk of  
34 becoming homeless that is intended to address the basic health, food,  
35 clothing, and personal hygiene needs of individuals or families.  
36 Emergency housing may or may not require occupants to enter into a  
37 lease or an occupancy agreement.

38 (15) "Emergency shelter" means a facility that provides a  
39 temporary shelter for individuals or families who are currently  
40 homeless. Emergency shelter may not require occupants to enter into a

1 lease or an occupancy agreement. Emergency shelter facilities may  
2 include day and warming centers that do not provide overnight  
3 accommodations.

4 (16) "Environmental justice" means the fair treatment and  
5 meaningful involvement of all people regardless of race, color,  
6 national origin, or income with respect to development,  
7 implementation, and enforcement of environmental laws, regulations,  
8 and policies. Environmental justice includes addressing  
9 disproportionate environmental and health impacts in all laws, rules,  
10 and policies with environmental impacts by prioritizing vulnerable  
11 populations and overburdened communities and the equitable  
12 distribution of resources and benefits.

13 (17) "Extremely low-income household" means a single person,  
14 family, or unrelated persons living together whose adjusted income is  
15 at or below (~~thirty~~) 30 percent of the median household income  
16 adjusted for household size, for the county where the household is  
17 located, as reported by the United States department of housing and  
18 urban development.

19 (18) "Forestland" means land primarily devoted to growing trees  
20 for long-term commercial timber production on land that can be  
21 economically and practically managed for such production, including  
22 Christmas trees subject to the excise tax imposed under RCW 84.33.100  
23 through 84.33.140, and that has long-term commercial significance. In  
24 determining whether forestland is primarily devoted to growing trees  
25 for long-term commercial timber production on land that can be  
26 economically and practically managed for such production, the  
27 following factors shall be considered: (a) The proximity of the land  
28 to urban, suburban, and rural settlements; (b) surrounding parcel  
29 size and the compatibility and intensity of adjacent and nearby land  
30 uses; (c) long-term local economic conditions that affect the ability  
31 to manage for timber production; and (d) the availability of public  
32 facilities and services conducive to conversion of forestland to  
33 other uses.

34 (19) "Freight rail dependent uses" means buildings and other  
35 infrastructure that are used in the fabrication, processing, storage,  
36 and transport of goods where the use is dependent on and makes use of  
37 an adjacent short line railroad. Such facilities are both urban and  
38 rural development for purposes of this chapter. "Freight rail  
39 dependent uses" does not include buildings and other infrastructure  
40 that are used in the fabrication, processing, storage, and transport

1 of coal, liquefied natural gas, or "crude oil" as defined in RCW  
2 90.56.010.

3 (20) "Geologically hazardous areas" means areas that because of  
4 their susceptibility to erosion, sliding, earthquake, or other  
5 geological events, are not suited to the siting of commercial,  
6 residential, or industrial development consistent with public health  
7 or safety concerns.

8 (21) "Green infrastructure" means a wide array of natural assets  
9 and built structures within an urban growth area boundary, including  
10 parks and other areas with protected tree canopy, and management  
11 practices at multiple scales that manage wet weather and that  
12 maintain and restore natural hydrology by storing, infiltrating,  
13 evapotranspiring, and harvesting and using stormwater.

14 (22) "Green space" means an area of land, vegetated by natural  
15 features such as grass, trees, or shrubs, within an urban context and  
16 less than one acre in size that creates public value through one or  
17 more of the following attributes:

- 18 (a) Is accessible to the public;
- 19 (b) Promotes physical and mental health of residents;
- 20 (c) Provides relief from the urban heat island effects;
- 21 (d) Promotes recreational and aesthetic values;
- 22 (e) Protects streams or water supply; or
- 23 (f) Preserves visual quality along highway, road, or street  
24 corridors.

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

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

36 (25) "Major transit stop" means:

- 37 (a) A stop on a high capacity transportation system funded or  
38 expanded under the provisions of chapter 81.104 RCW, except for any  
39 stop that solely serves express bus service or serves express bus

1 service and other bus services not otherwise meeting the definition  
2 of major transit stop;

3 (b) Commuter rail stops;

4 (c) Stops on rail or fixed guideway systems; or

5 (d) Stops on bus rapid transit routes, including those stops that  
6 are under construction.

7 (26) "Middle housing" means buildings that are compatible in  
8 scale, form, and character with single-family houses and contain two  
9 or more attached, stacked, or clustered homes including duplexes,  
10 triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked  
11 flats, courtyard apartments, and cottage housing.

12 (27) "Minerals" include gravel, sand, and valuable metallic  
13 substances.

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

20 (29) "Overburdened community" means a geographic area where  
21 vulnerable populations face combined, multiple environmental harms  
22 and health impacts, and includes, but is not limited to, highly  
23 impacted communities as defined in RCW 19.405.020.

24 (30) "Per capita vehicle miles traveled" means the number of  
25 miles traveled using cars and light trucks in a calendar year divided  
26 by the number of residents in Washington. The calculation of this  
27 value excludes vehicle miles driven conveying freight.

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

1 with community-based health care, treatment, or employment services.  
2 Permanent supportive housing is subject to all of the rights and  
3 responsibilities defined in chapter 59.18 RCW.

4 (32) "Public facilities" include streets, roads, highways,  
5 sidewalks, street and road lighting systems, traffic signals,  
6 domestic water systems, storm and sanitary sewer systems, parks and  
7 recreational facilities, and schools.

8 (33) "Public services" include fire protection and suppression,  
9 law enforcement, public health, education, recreation, environmental  
10 protection, and other governmental services.

11 (34) "Recreational land" means land so designated under RCW  
12 36.70A.1701 and that, immediately prior to this designation, was  
13 designated as agricultural land of long-term commercial significance  
14 under RCW 36.70A.170. Recreational land must have playing fields and  
15 supporting facilities existing before July 1, 2004, for sports played  
16 on grass playing fields.

17 (35) "Rural character" refers to the patterns of land use and  
18 development established by a county in the rural element of its  
19 comprehensive plan:

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

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

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

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

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

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

32 (g) That are consistent with the protection of natural surface  
33 water flows and groundwater and surface water recharge and discharge  
34 areas.

35 (36) "Rural development" refers to development outside the urban  
36 growth area and outside agricultural, forest, and mineral resource  
37 lands designated pursuant to RCW 36.70A.170. Rural development can  
38 consist of a variety of uses and residential densities, including  
39 clustered residential development, at levels that are consistent with  
40 the preservation of rural character and the requirements of the rural

1 element. Rural development does not refer to agriculture or forestry  
2 activities that may be conducted in rural areas.

3 (37) "Rural governmental services" or "rural services" include  
4 those public services and public facilities historically and  
5 typically delivered at an intensity usually found in rural areas, and  
6 may include domestic water systems and fire and police protection  
7 services associated with rural development and normally not  
8 associated with urban areas. Rural services do not include storm or  
9 sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).

10 (38) "Short line railroad" means those railroad lines designated  
11 class II or class III by the United States surface transportation  
12 board.

13 (39) "Single-family zones" means those zones where single-family  
14 detached housing is the predominant land use.

15 (40) "Stacked flat" means dwelling units in a residential  
16 building of no more than three stories on a residential zoned lot in  
17 which each floor may be separately rented or owned.

18 (41) "Townhouses" means buildings that contain three or more  
19 attached single-family dwelling units that extend from foundation to  
20 roof and that have a yard or public way on not less than two sides.

21 (42) "Transportation system" means all infrastructure and  
22 services for all forms of transportation within a geographical area,  
23 irrespective of the responsible jurisdiction or transportation  
24 provider.

25 (43) "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 (44) "Urban growth" refers to growth that makes intensive use of  
33 land for the location of buildings, structures, and impermeable  
34 surfaces to such a degree as to be incompatible with the primary use  
35 of land for the production of food, other agricultural products, or  
36 fiber, or the extraction of mineral resources, rural uses, rural  
37 development, and natural resource lands designated pursuant to RCW  
38 36.70A.170. A pattern of more intensive rural development, as  
39 provided in RCW 36.70A.070(5)(d), is not urban growth. When allowed  
40 to spread over wide areas, urban growth typically requires urban

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

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

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

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

22 (b) "Vulnerable populations" includes, but is not limited to:

23 (i) Racial or ethnic minorities;

24 (ii) Low-income populations; and

25 (iii) Populations disproportionately impacted by environmental  
26 harms.

27 (48) "Wetland" or "wetlands" means areas that are inundated or  
28 saturated by surface water or groundwater at a frequency and duration  
29 sufficient to support, and that under normal circumstances do  
30 support, a prevalence of vegetation typically adapted for life in  
31 saturated soil conditions. Wetlands generally include swamps,  
32 marshes, bogs, and similar areas. Wetlands do not include those  
33 artificial wetlands intentionally created from nonwetland sites,  
34 including, but not limited to, irrigation and drainage ditches,  
35 grass-lined swales, canals, detention facilities, wastewater  
36 treatment facilities, farm ponds, and landscape amenities, or those  
37 wetlands created after July 1, 1990, that were unintentionally  
38 created as a result of the construction of a road, street, or  
39 highway. Wetlands may include those artificial wetlands intentionally

1 created from nonwetland areas created to mitigate conversion of  
2 wetlands.

3 (49) "Wildland urban interface" means the geographical area where  
4 structures and other human development meets or intermingles with  
5 wildland vegetative fuels.

6 (50) "Floor area ratio" means a measure of development intensity  
7 equal to building square footage divided by the developable property  
8 square footage. Developable property excludes public facilities and  
9 portions of lots with critical areas and critical area buffers as  
10 designated in RCW 36.70A.060, except for critical aquifer recharge  
11 areas where a single-family detached house is an allowed use provided  
12 that any requirements to maintain aquifer recharge are met.

13 (51) "Rail station area" means all lots fully within an urban  
14 growth area that are:

15 (a) Fully or partially within one-half mile walking distance of  
16 an entrance to a train station with a stop on a light rail system, a  
17 commuter rail stop in a city with a population greater than 15,000,  
18 or a stop on a rail trolley operated west of the crest of the Cascade  
19 mountains; or

20 (b) Fully or partially within one-quarter mile walking distance  
21 of an entrance to a train station with a commuter rail stop in a city  
22 with a population no greater than 15,000.

23 (52) "Bus station area" means all lots that are:

24 (a) Fully within an urban growth area; and

25 (b) Fully or partially within one-quarter mile walking distance  
26 of a stop on a fixed route bus system that is designated as a bus  
27 rapid transit stop in the transit development plan as required in RCW  
28 35.58.2795, for which an environmental determination has been issued  
29 as required under chapter 43.21C RCW, and that features fixed transit  
30 assets that indicate permanent, high capacity service including, but  
31 not limited to, elevated platforms or enhanced stations, off-board  
32 fare collection, dedicated lanes, busways, or transit signal  
33 priority.

34 (53) "Station area" means a bus station area or a rail station  
35 area.

36 NEW SECTION. Sec. 3. A new section is added to chapter 36.70A  
37 RCW to read as follows:

38 (1) Cities planning under RCW 36.70A.040 may not enact or enforce  
39 any development regulation within a station area that would prohibit

1 the siting of multifamily residential housing on lots where any other  
2 residential use is permissible.

3 (2)(a) Cities planning under RCW 36.70A.040 must allow new  
4 residential and mixed-use development within any station area at the  
5 transit-oriented development density of:

6 (i) At least 3.5 floor area ratio, on average, within a rail  
7 station area; and

8 (ii) At least 2.5 floor area ratio, on average, or at least a 3.0  
9 floor area ratio, on average if a city exempts up to 25 percent of  
10 bus station areas, within a bus station area.

11 (A) Cities must adopt regulations that allow for greater building  
12 height and increased density in all bus station areas for  
13 developments built with all mass timber products.

14 (B) For the purposes of this subsection, "mass timber products"  
15 has the same meaning as in RCW 19.27.570.

16 (b) A city planning under RCW 36.70A.040 may adopt a modification  
17 to a station area designation, but only after consultation with and  
18 approval by the department.

19 (c) Cities planning under RCW 36.70A.040 may not enact or enforce  
20 any development regulation that imposes:

21 (i) A maximum floor area ratio of less than the transit-oriented  
22 development density in this subsection for any residential or mixed-  
23 use development within a station area, unless a city has adopted an  
24 exemption for the station area under (a)(ii) of this subsection; or

25 (ii) A maximum residential density, measured in residential units  
26 per acre or other metric of land area within a station area.

27 (3) For the purposes of this section:

28 (a) "Mixed-use development" means a building subject to a  
29 regulation specifying allowable residential proportions within mixed-  
30 use areas.

31 (b) "Workforce housing" means rental housing with monthly costs  
32 that do not exceed 30 percent of the monthly income of a household  
33 whose income is at or below 80 percent of the median household income  
34 adjusted for household size, for the county where the household is  
35 located, as reported by the United States department of housing and  
36 urban development.

37 (4) Within any station area, any building in which all units are  
38 affordable or workforce housing for at least 50 years or are  
39 dedicated to permanent supportive housing, an additional 1.5 floor

1 area ratio in excess of the transit-oriented development density  
2 required under subsection (2)(a) of this section must be permitted.

3 (5) Any floor area within a building located in a station area  
4 that is reserved for residential units in multifamily housing that  
5 includes at least three bedrooms must not be counted toward  
6 applicable floor area ratio limits. A city may require the  
7 residential units to comply with affordability requirements to be  
8 eligible for an exclusion from the applicable floor area ratio  
9 limits.

10 (6) Cities planning under RCW 36.70A.040 may by ordinance  
11 designate parts of a station area in which to enact or enforce floor  
12 area ratios for residential or mixed-use development that are more or  
13 less than the applicable transit-oriented development density, if the  
14 average maximum floor area ratio of all residential and mixed-use  
15 areas within a station area is no less than the applicable transit-  
16 oriented development density.

17 (7)(a) Buildings constructed within a station area must maintain  
18 for at least 50 years:

19 (i) At least 10 percent of all residential units as affordable  
20 housing;

21 (ii) At least 10 percent of all residential units as workforce  
22 housing if at least 10 percent of the units are family sized units  
23 with more than two bedrooms; or

24 (iii) At least 20 percent of all residential units as workforce  
25 housing.

26 (b) A building constructed within a station area is exempt from  
27 the affordability requirements in (a) of this subsection if:

28 (i) The building is constructed on a lot in which a density that  
29 meets or exceeds the transit-oriented development density in  
30 subsection (2) of this section was authorized prior to January 1,  
31 2025;

32 (ii) The building is subject to affordability requirements with a  
33 lower income threshold or a greater amount of required affordable  
34 housing that were enacted by a city prior to December 31, 2025; or

35 (iii) A city has enacted or expands a mandatory program under RCW  
36 36.70A.540 that requires a minimum amount of affordable housing that  
37 must be provided by residential development, either on-site or  
38 through an in-lieu payment as allowed by RCW 36.70A.540, in an area  
39 where development regulations must comply with this section. Such  
40 mandatory program may be enacted, modified, or expanded by a city,

1 and may require an amount of affordable housing and levels of  
2 affordability that differs or exceeds the requirements. An optional  
3 program established under RCW 36.70A.540 does not meet the  
4 requirements of this subsection (7)(b)(iii).

5 (c) For each building that is exempt from the requirements for  
6 affordable or workforce housing under (b)(i) or (ii) of this  
7 subsection, the city must identify the density and affordability  
8 requirements that apply to the building or parcel in its  
9 comprehensive planning documents. For each building that is exempt  
10 from the requirements for affordable or workforce housing under  
11 (b)(iii) of this subsection, the city must identify the density and  
12 affordability requirements that apply to the building or parcel in  
13 its municipal code.

14 (8) A city must approve an exemption under RCW  
15 84.14.020(1)(a)(ii)(D) for multifamily residential housing within a  
16 station area that meets the affordability requirements in subsection  
17 (7)(a) of this section and the requirements of chapter 84.14 RCW,  
18 unless the city authorizes the 20-year exemption under RCW  
19 84.14.020(1)(a)(ii)(C).

20 (9) A city that has enacted an incentive program prior to January  
21 1, 2025, that requires public benefits, such as school capacity,  
22 greater amounts of affordable housing, green space, or green  
23 infrastructure, in return for additional development allowances, may  
24 continue to require such public benefits if the plan and implementing  
25 development regulations requiring those public benefits provides  
26 development capacity that is substantially similar to that required  
27 in this section.

28 (10)(a) No later than the deadlines established in subsection  
29 (15) of this section, cities planning under RCW 36.70A.040 must act  
30 to modify or repeal any existing development regulations applicable  
31 in a station area that, alone or in combination, are inconsistent  
32 with this section, and may not enact any development regulations  
33 applicable in a station area that, alone or in combination with other  
34 development regulations, are inconsistent with this section.

35 (b) A city may apply any objective development regulations within  
36 a station area that are required for other multifamily residential  
37 uses in the same zone, including tree canopy and retention  
38 requirements.

39 (c) This subsection (10) does not apply to development  
40 regulations that are generally applicable health and safety

1 standards, including building code standards and fire and life safety  
2 standards.

3 (11) Nothing in this section requires alteration, displacement,  
4 or limitation of industrial or agricultural uses or industrial,  
5 manufacturing, or agricultural areas within the urban growth area.

6 (12) Nothing in this section requires a city to issue a building  
7 permit if other federal, state, and local requirements for a building  
8 permit are not met.

9 (13) Cities planning under RCW 36.70A.040 may exclude from the  
10 requirements in this section any portion of a lot that is designated  
11 as a shoreline environment governed by a shoreline master program or  
12 as a critical area governed by a critical area ordinance, except for  
13 critical aquifer recharge areas where a single-family detached house  
14 is an allowed use provided that any requirements to maintain aquifer  
15 recharge are met, and any lot that:

16 (a) Is nonconforming with development regulations governing lot  
17 dimensions including, but not limited to, standards related to lot  
18 width, area, geometry, or street access, unless an applicant  
19 demonstrates that the nonconforming lot may be developed in  
20 compliance with the development regulations governing lot dimensions  
21 by obtaining any modification, deviation, variance, or similar code  
22 departure approval allowed under the development regulations;

23 (b) Contains a designated landmark or is located within a  
24 historic district established under a local preservation ordinance  
25 adopted prior to the effective date of this section;

26 (c) Has been designated as containing urban separators by  
27 countywide planning policies as of the effective date of this  
28 section;

29 (d) Is an industrial, manufacturing, or agricultural designated  
30 lot that either is limited to one dwelling unit per lot or only  
31 allows housing for individuals and their families responsible for  
32 caretaking, farm work, security, or maintenance; or

33 (e) Is in a tsunami inundation area as mapped by the department  
34 of natural resources.

35 (14) For cities subject to a growth target adopted under RCW  
36 36.70A.210 that limits the maximum residential capacity of the  
37 jurisdiction, any additional residential capacity required by this  
38 section may not be considered an inconsistency with the countywide  
39 planning policies, multicounty planning policies, or growth targets  
40 adopted under RCW 36.70A.210.

1 (15)(a) Any city that is required to review its comprehensive  
2 plan by the deadlines specified in RCW 36.70A.130(5)(a) must comply  
3 with the requirements of this section by the earlier of December 31,  
4 2029, or its first implementation progress report due after December  
5 31, 2024 as specified in RCW 36.70A.130(9), and thereafter at each  
6 comprehensive plan update or implementation progress report following  
7 the completion or funding of any major transit stop that would create  
8 a new station area within the jurisdiction.

9 (b) Any city that is required to review its comprehensive plan by  
10 the deadlines specified in RCW 36.70A.130(5)(b), (c), or (d) must  
11 comply with the requirements of this section no later than six months  
12 after its first comprehensive plan update due after December 31,  
13 2024, and thereafter at each comprehensive plan update or  
14 implementation progress report following the completion or funding of  
15 any major transit stop that would create a new station area within  
16 the jurisdiction.

17 (c) A federally recognized Indian tribe may voluntarily choose to  
18 participate in the planning process to implement the requirements of  
19 this section in accordance with RCW 36.70A.040(8).

20 (16)(a) The department must publish a model transit-oriented  
21 development ordinance by June 30, 2027.

22 (b) In any city subject to this section that has not passed  
23 ordinances, regulations, or other official controls by the deadlines  
24 required under subsection (15) of this section, the model ordinance  
25 supersedes, preempts, and invalidates local development regulations  
26 until the city takes all actions necessary to implement this section.

27 (17) A city may seek an extension from the transit-oriented  
28 development density requirements of this section by applying to the  
29 department for an extension in any areas that are at high risk of  
30 displacement based on a city's antidisplacement analysis or an  
31 antidisplacement map. The department must review the city's analysis  
32 and certify a five-year extension from the requirements of this  
33 section for areas at high risk of displacement. The city must create  
34 an implementation plan that identifies the antidisplacement policies  
35 available to residents to mitigate displacement risk. During the  
36 extension, the city may delay implementation or enact alternative  
37 floor area ratio requirements within any areas at high risk of  
38 displacement. The department may recertify an extension for  
39 additional five-year periods based on evidence of ongoing  
40 displacement risk in the area.

1 (18) (a) (i) The department may approve actions under this  
2 subsection (18) for cities that have, by June 30, 2026, adopted a  
3 plan and implementing development regulations for a specific station  
4 area that are substantially similar to the requirements of this  
5 section for that station area. In determining whether a city's  
6 adopted plan and development regulations are substantially similar,  
7 the department's evaluation may include, but not be limited to, if:

8 (A) The regulations will provide a development capacity and allow  
9 the opportunity for creation of affordable housing that is at least  
10 equivalent to the amount of development capacity and affordable  
11 housing that would be allowed in that station area if the specific  
12 provisions of this section were adopted;

13 (B) The jurisdiction offers a way to achieve buildings that  
14 exceed 85 feet in height; and

15 (C) No lot within the station area is zoned exclusively for  
16 detached single-family residences.

17 (ii) The department must establish by rule any standards or  
18 procedures necessary to implement (a) of this subsection.

19 (b) Any local actions approved by the department pursuant to (a)  
20 of this subsection are exempt from appeals under this chapter and  
21 chapter 43.21C RCW.

22 (c) The department's final decision to approve or reject actions  
23 by cities under this subsection (18) may be appealed to the growth  
24 management hearings board by filing a petition as provided in RCW  
25 36.70A.290.

26 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70A  
27 RCW to read as follows:

28 Subject to appropriation, the department must establish and  
29 administer a grant program to assist cities in providing:

30 (1) The infrastructure necessary to accommodate development at  
31 transit-oriented development densities within station areas,  
32 including water, sewer, stormwater, and transportation infrastructure  
33 and parks and recreation facilities;

34 (2) Station area planning or other predevelopment costs necessary  
35 for implementation of station area plans; and

36 (3) The staffing necessary to implement transit-oriented  
37 development requirements.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 36.70A

2 RCW to read as follows:

3 (1) To encourage transit-oriented development and transit use and  
4 resulting substantial environmental benefits, cities planning under  
5 RCW 36.70A.040 may not require off-street automobile parking as a  
6 condition of permitting residential or mixed-use development within a  
7 station area as defined in RCW 36.70A.030, except for off-street  
8 automobile parking that is permanently marked for the exclusive use  
9 of individuals with disabilities or parking that is permanently  
10 marked for the short-term exclusive use of delivery vehicles.

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

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

17 (a) If a local government submits to the department an empirical  
18 study prepared by a credentialed transportation or land use planning  
19 expert that clearly demonstrates, and the department finds and  
20 certifies, that the application of the parking limitations under  
21 subsection (1) of this section will be significantly less safe for  
22 automobile drivers or passengers, pedestrians, or bicyclists than if  
23 the jurisdiction's parking requirements were applied to the same  
24 location. The department must develop guidance to assist cities and  
25 counties on items to include in the study; or

26 (b) To portions of cities within a one-mile radius of a  
27 commercial airport in Washington with at least 9,000,000 annual  
28 enplanements.

29 (4) If a residential or mixed-use development provides parking  
30 for residential uses in excess of what is required in subsection (1)  
31 of this section, cities planning under RCW 36.70A.040 may enact or  
32 enforce development regulations to:

33 (a) Require a share of any provided residential parking to be  
34 distributed between units designated as affordable housing and units  
35 offered at market rate; and

36 (b) Include all or a portion of the cost of unbundled parking  
37 charges into the monthly cost for rental units designated as  
38 affordable housing.

1        NEW SECTION.    **Sec. 6.**    A new section is added to chapter 47.12  
2 RCW to read as follows:

3        (1)    The department must review surplus property under this  
4 chapter in a county with a population over 2,000,000 that operates a  
5 municipal transit system and, in consultation with the county, select  
6 up to three park and ride facilities to conduct a pilot program to  
7 encourage transit-oriented development that meets the density and  
8 affordability requirements under section 3 of this act.

9        (2)    A park and ride selected for the pilot program must be:

10        (a)    Situated along state route number 99 with 400 to 500 parking  
11 stalls;

12        (b)    Situated on Interstate 405 with 500 to 900 parking stalls; or

13        (c)    Located in the southern portion of a county with a population  
14 over 2,000,000 with between 300 to 1,000 parking stalls.

15        (3)    For the purpose of the pilot program under this section, the  
16 department:

17        (a)    May release any covenant imposed for highway purposes and  
18 replace it with a covenant requiring affordable housing;

19        (b)    May not seek a reversionary interest in the property but may  
20 enact other remedies enforceable by law.

21        **Sec. 7.**    RCW 43.21C.229 and 2023 c 368 s 1 are each amended to  
22 read as follows:

23        (1)    The purpose of this section is to accommodate infill and  
24 housing development and thereby realize the goals and policies of  
25 comprehensive plans adopted according to chapter 36.70A RCW.

26        (2)    A city or county planning under RCW 36.70A.040 is authorized  
27 by this section to establish categorical exemptions from the  
28 requirements of this chapter. An exemption may be adopted by a city  
29 or county under this subsection if it meets the following criteria:

30        (a)    It categorically exempts government action related to  
31 development proposed to fill in an urban growth area, designated  
32 according to RCW 36.70A.110, where current density and intensity of  
33 use in the area is roughly equal to or lower than called for in the  
34 goals and policies of the applicable comprehensive plan and the  
35 development is either:

36        (i)    Residential development;

37        (ii)    Mixed-use development; or

38        (iii)    Commercial development up to 65,000 square feet, excluding  
39 retail development;

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

5 (c) The local government considers the specific probable adverse  
6 environmental impacts of the proposed action and determines that  
7 these specific impacts are adequately addressed by the development  
8 regulations or other applicable requirements of the comprehensive  
9 plan, subarea plan element of the comprehensive plan, planned action  
10 ordinance, or other local, state, or federal rules or laws; and

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

15 (ii) The city or county has prepared an environmental impact  
16 statement that considers the proposed use or density and intensity of  
17 use in the area proposed for an exemption under this section.

18 (3) All project actions that propose to develop one or more  
19 residential housing units within the incorporated areas in an urban  
20 growth area designated pursuant to RCW 36.70A.110 or middle housing  
21 within the unincorporated areas in an urban growth area designated  
22 pursuant to RCW 36.70A.110, and that meet the criteria identified in  
23 (a) and (b) of this subsection, are categorically exempt from the  
24 requirements of this chapter. For purposes of this section, "middle  
25 housing" has the same meaning as in RCW 36.70A.030 as amended by  
26 chapter 332, Laws of 2023. Jurisdictions shall satisfy the following  
27 criteria prior to the adoption of the categorical exemption under  
28 this subsection (3):

29 (a) The city or county shall find that the proposed development  
30 is consistent with all development regulations implementing an  
31 applicable comprehensive plan adopted according to chapter 36.70A RCW  
32 by the jurisdiction in which the development is proposed, with the  
33 exception of any development regulation that is inconsistent with  
34 applicable provisions of chapter 36.70A RCW; and

35 (b) The city or county has prepared environmental analysis that  
36 considers the proposed use or density and intensity of use in the  
37 area proposed for an exemption under this section and analyzes  
38 multimodal transportation impacts, including impacts to neighboring  
39 jurisdictions, transit facilities, and the state transportation  
40 system.

1 (i) Such environmental analysis shall include documentation that  
2 the requirements for environmental analysis, protection, and  
3 mitigation for impacts to elements of the environment have been  
4 adequately addressed for the development exempted. The requirements  
5 may be addressed in locally adopted comprehensive plans, subarea  
6 plans, adopted development regulations, other applicable local  
7 ordinances and regulations, or applicable state and federal  
8 regulations. The city or county must document its consultation with  
9 the department of transportation on impacts to state-owned  
10 transportation facilities including consideration of whether  
11 mitigation is necessary for impacts to transportation facilities.

12 (ii) Before finalizing the environmental analysis pursuant to  
13 (b)(i) of this subsection (3), the city or county shall provide a  
14 minimum of 60 days' notice to affected tribes, relevant state  
15 agencies, other jurisdictions that may be impacted, and the public.  
16 If a city or county identifies that mitigation measures are necessary  
17 to address specific probable adverse impacts, the city or county must  
18 address those impacts by requiring mitigation identified in the  
19 environmental analysis pursuant to this subsection (3)(b) through  
20 locally adopted comprehensive plans, subarea plans, development  
21 regulations, or other applicable local ordinances and regulations.  
22 Mitigation measures shall be detailed in an associated environmental  
23 determination.

24 (iii) The categorical exemption is effective 30 days following  
25 action by a city or county pursuant to (b)(ii) of this subsection  
26 (3).

27 (4) Until September 30, 2025, all project actions that propose to  
28 develop one or more residential housing or middle housing units  
29 within a city west of the crest of the Cascade mountains with a  
30 population of 700,000 or more are categorically exempt from the  
31 requirements of this chapter. After September 30, 2025, project  
32 actions that propose to develop one or more residential housing or  
33 middle housing units within the city may utilize the categorical  
34 exemption in subsection (3) of this section.

35 (5) All project actions that propose to develop residential or  
36 mixed-use development within a station area are categorically exempt  
37 from the requirements of this chapter, subject to the rules of the  
38 department adopted according to RCW 43.21C.110(1)(a) that provide  
39 exceptions to the use of categorical exemptions adopted by the  
40 department. For the purpose of this subsection:

1 (a) "Mixed-use development" has the same meaning as provided in  
2 section 3 of this act; and

3 (b) "Station area" has the same meaning as provided in RCW  
4 36.70A.030.

5 (6) Any categorical exemption adopted by a city or county under  
6 this section applies even if it differs from the categorical  
7 exemptions adopted by rule of the department under RCW  
8 43.21C.110(1)(a). Nothing in this section shall invalidate  
9 categorical exemptions or environmental review procedures adopted by  
10 a city or county under a planned action pursuant to RCW 43.21C.440.  
11 However, any categorical exemption adopted by a city or county under  
12 this section shall be subject to the rules of the department adopted  
13 according to RCW 43.21C.110(1)(a) that provide exceptions to the use  
14 of categorical exemptions adopted by the department.

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

17 (1) Governing documents created after the effective date of this  
18 section and applicable to associations located fully or partially  
19 within a station area as defined in RCW 36.70A.030 may not prohibit  
20 the construction or development of multifamily housing or transit-  
21 oriented development density that must be permitted by cities under  
22 section 3 of this act or require off-street parking inconsistent or  
23 in conflict with section 5 of this act.

24 (2) This section expires January 1, 2028.

25 NEW SECTION. Sec. 9. A new section is added to chapter 64.90  
26 RCW to read as follows:

27 Declarations and governing documents created after the effective  
28 date of this section and applicable to a common interest community  
29 located fully or partially within a station area as defined in RCW  
30 36.70A.030 may not prohibit the construction or development of  
31 multifamily housing or transit-oriented development density that must  
32 be permitted by cities under section 3 of this act or require off-  
33 street parking inconsistent or in conflict with section 5 of this  
34 act.

35 NEW SECTION. Sec. 10. A new section is added to chapter 64.34  
36 RCW to read as follows:

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

8 (2) This section expires January 1, 2028.

9 NEW SECTION. **Sec. 11.** A new section is added to chapter 64.32  
10 RCW to read as follows:

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

18 (2) This section expires January 1, 2028.

19 **Sec. 12.** RCW 84.14.010 and 2024 c 332 s 17 are each amended to  
20 read as follows:

21 The definitions in this section apply throughout this chapter  
22 unless the context clearly requires otherwise.

23 (1) "Affordable housing" means residential housing that is rented  
24 by a person or household whose monthly housing costs, including  
25 utilities other than telephone, do not exceed thirty percent of the  
26 household's monthly income. For the purposes of housing intended for  
27 owner occupancy, "affordable housing" means residential housing that  
28 is within the means of low or moderate-income households.

29 (2) "Campus facilities master plan" means the area that is  
30 defined by the University of Washington as necessary for the future  
31 growth and development of its campus facilities for campuses  
32 authorized under RCW 28B.45.020.

33 (3) "City" means either (a) a city or town with a population of  
34 at least fifteen thousand, (b) the largest city or town, if there is  
35 no city or town with a population of at least fifteen thousand,  
36 located in a county planning under the growth management act, (c) a  
37 city or town with a population of at least five thousand located in a  
38 county subject to the provisions of RCW 36.70A.215, (~~(e)~~) (d) any

1 city that otherwise does not meet the qualifications under (a)  
2 through (c) of this subsection, until December 31, 2031, that  
3 complies with RCW 84.14.020(1)(a)(iii) or 84.14.021(1)(b), or (e) for  
4 the exemption authorized in RCW 84.14.020(1)(a)(ii)(D), a city or  
5 town with a station area.

6 (4) "Conversion" means the conversion of a nonresidential  
7 building, in whole or in part, to multiple-unit housing under this  
8 chapter.

9 (5) "County" means a county with an unincorporated population of  
10 at least 170,000.

11 (6) "Governing authority" means the local legislative authority  
12 of a city or a county having jurisdiction over the property for which  
13 an exemption may be applied for under this chapter.

14 (7) "Growth management act" means chapter 36.70A RCW.

15 (8) "Household" means a single person, family, or unrelated  
16 persons living together.

17 (9) "Low-income household" means a single person, family, or  
18 unrelated persons living together whose adjusted income is at or  
19 below eighty percent of the median family income adjusted for family  
20 size, for the county, city, or metropolitan statistical area, where  
21 the project is located, as reported by the United States department  
22 of housing and urban development.

23 (10) "Moderate-income household" means a single person, family,  
24 or unrelated persons living together whose adjusted income is more  
25 than eighty percent but is at or below one hundred fifteen percent of  
26 the median family income adjusted for family size, for the county,  
27 city, or metropolitan statistical area, where the project is located,  
28 as reported by the United States department of housing and urban  
29 development.

30 (11) "Multiple-unit housing" means a building or a group of  
31 buildings having four or more dwelling units not designed or used as  
32 transient accommodations and not including hotels and motels.  
33 Multifamily units may result from new construction or rehabilitated  
34 or conversion of vacant, underutilized, or substandard buildings to  
35 multifamily housing.

36 (12) "Owner" means the property owner of record.

37 (13) "Permanent residential occupancy" means multiunit housing  
38 that provides either rental or owner occupancy on a nontransient  
39 basis. This includes owner-occupied or rental accommodation that is  
40 leased for a period of at least one month. This excludes hotels and

1 motels that predominately offer rental accommodation on a daily or  
2 weekly basis.

3 (14) "Rehabilitation improvements" means modifications to  
4 existing structures, that are vacant for twelve months or longer,  
5 that are made to achieve a condition of substantial compliance with  
6 existing building codes or modification to existing occupied  
7 structures which increase the number of multifamily housing units.

8 (15) "Residential targeted area" means an area within an urban  
9 center or urban growth area that has been designated by the governing  
10 authority as a residential targeted area in accordance with this  
11 chapter. With respect to designations after July 1, 2007,  
12 "residential targeted area" may not include a campus facilities  
13 master plan.

14 (16) "Rural county" means a county with a population between  
15 fifty thousand and seventy-one thousand and bordering Puget Sound.

16 (17) "Station area" has the same meaning as defined in RCW  
17 36.70A.030.

18 (18) "Substantial compliance" means compliance with local  
19 building or housing code requirements that are typically required for  
20 rehabilitation as opposed to new construction.

21 ~~((18))~~ (19) "Urban center" means a compact identifiable  
22 district where urban residents may obtain a variety of products and  
23 services. An urban center must contain:

24 (a) Several existing or previous, or both, business  
25 establishments that may include but are not limited to shops,  
26 offices, banks, restaurants, governmental agencies;

27 (b) Adequate public facilities including streets, sidewalks,  
28 lighting, transit, domestic water, and sanitary sewer systems; and

29 (c) A mixture of uses and activities that may include housing,  
30 recreation, and cultural activities in association with either  
31 commercial or office, or both, use.

32 **Sec. 13.** RCW 84.14.020 and 2021 c 187 s 3 are each amended to  
33 read as follows:

34 (1)(a) The value of new housing construction, conversion, and  
35 rehabilitation improvements qualifying under this chapter is exempt  
36 from ad valorem property taxation, as follows:

37 (i) For properties for which applications for certificates of tax  
38 exemption eligibility are submitted under this chapter before July  
39 22, 2007, the value is exempt for ten successive years beginning

1 January 1 of the year immediately following the calendar year of  
2 issuance of the certificate;

3 (ii) For properties for which applications for certificates of  
4 tax exemption eligibility are submitted under this chapter on or  
5 after July 22, 2007, the value is exempt:

6 (A) For eight successive years beginning January 1st of the year  
7 immediately following the calendar year of issuance of the  
8 certificate;

9 (B) For twelve successive years beginning January 1st of the year  
10 immediately following the calendar year of issuance of the  
11 certificate, if the property otherwise qualifies for the exemption  
12 under this chapter and meets the conditions in this subsection  
13 (1)(a)(ii)(B). For the property to qualify for the twelve-year  
14 exemption under this subsection, the applicant must commit to renting  
15 or selling at least twenty percent of the multifamily housing units  
16 as affordable housing units to low and moderate-income households,  
17 and the property must satisfy that commitment and any additional  
18 affordability and income eligibility conditions adopted by the local  
19 government under this chapter. In the case of projects intended  
20 exclusively for owner occupancy, the minimum requirement of this  
21 subsection (1)(a)(ii)(B) may be satisfied solely through housing  
22 affordable to moderate-income households; ((~~or~~))

23 (C) For 20 successive years beginning January 1st of the year  
24 immediately following the calendar year of issuance of the  
25 certificate, if the property otherwise qualifies for the exemption  
26 under this chapter and meets the conditions in this subsection  
27 (1)(a)(ii)(C). For the property to qualify for the 20-year exemption  
28 under this subsection, the project must be located within one mile of  
29 high capacity transit of at least 15 minute scheduled frequency, in a  
30 city that has implemented, as of July 25, 2021, a mandatory  
31 inclusionary zoning requirement for affordable housing that ensures  
32 affordability of housing units for a period of at least 99 years and  
33 that has a population of no more than 65,000 as measured on July 25,  
34 2021. To qualify for the exemption provided in this subsection  
35 (1)(a)(ii)(C), the applicant must commit to renting at least 20  
36 percent of the dwelling units as affordable to low-income households  
37 for a term of at least 99 years, and the property must satisfy that  
38 commitment and all required affordability and income eligibility  
39 conditions adopted by the local government under this chapter. A city  
40 must require the applicant to record a covenant or deed restriction

1 that ensures the continuing rental of units subject to these  
2 affordability requirements consistent with the conditions in this  
3 subsection (1)(a)(ii)(C) for a period of no less than 99 years. The  
4 covenant or deed restriction must also address criteria and policies  
5 to maintain public benefit if the property is converted to a use  
6 other than which continues to provide for permanently affordable low-  
7 income housing consistent with this subsection (1)(a)(ii)(C); or

8 (D) For 20 successive years beginning January 1st of the year  
9 immediately following the calendar year of issuance of the  
10 certificate, if the property is located fully or partially with a  
11 station area of a city and meets the affordability requirements in  
12 section 3(7)(a) of this act. A county may approve an exemption under  
13 this subsection for multifamily residential housing within a station  
14 area if the property otherwise qualifies for the exemption under this  
15 chapter and meets the density requirements in section 3(2)(a) of this  
16 act and affordability requirements in section 3(7)(a) of this act. A  
17 city or county must require the applicant to record a covenant or  
18 deed restriction that ensures the continuing rental or ownership of  
19 units subject to the affordability requirements in section 3(7)(a) of  
20 this act for a period of no less than 50 years. The covenant or deed  
21 restriction must also address criteria and policies to maintain  
22 public benefit if the property is converted to a use other than one  
23 which continues to provide for permanently affordable low-income  
24 housing consistent with section 3(7)(a) of this act; and

25 (iii) Until December 31, 2026, for a city as defined in RCW  
26 84.14.010(3)(d), for 12 successive years beginning January 1st of the  
27 year immediately following the calendar year of issuance of the  
28 certificate, if the property otherwise qualifies for the exemption  
29 under this chapter and meets the conditions in this subsection  
30 (1)(a)(iii). For the property to qualify for the 12-year exemption  
31 under this subsection, the applicant must commit to renting or  
32 selling at least 20 percent of the multifamily housing units as  
33 affordable housing units to low and moderate-income households, the  
34 property must satisfy that commitment and any additional  
35 affordability and income eligibility conditions adopted by the local  
36 government under this chapter, and the area must be zoned to have an  
37 average minimum density equivalent to 15 dwelling units or more per  
38 gross acre, or for cities with a population over 20,000, the area  
39 must be zoned to have an average minimum density equivalent to 25  
40 dwelling units or more per gross acre. In the case of projects

1 intended exclusively for owner occupancy, the minimum requirement of  
2 this subsection (1)(a)(iii) may be satisfied solely through housing  
3 affordable to low-income or moderate-income households.

4 (b) The exemptions provided in (a)(i) through (iii) of this  
5 subsection do not include the value of land or nonhousing-related  
6 improvements not qualifying under this chapter.

7 (c) For properties receiving an exemption as provided in  
8 (a)(ii)(B) of this subsection that are in compliance with existing  
9 contracts and where the certificate of tax exemption is set to expire  
10 after June 11, 2020, but before December 31, 2021, the exemption is  
11 extended until December 31, 2021, provided that the property must  
12 satisfy any eligibility criteria or limitations provided in this  
13 chapter as a condition to the existing exemption for a given property  
14 continue to be met. For all properties eligible to receive an  
15 extension pursuant to this subsection (1)(c), the city or county that  
16 issued the initial certificate of tax exemption, as required in RCW  
17 84.14.090, must notify the county assessor and the applicant of the  
18 extension of the certificate of tax exemption.

19 (2) When a local government adopts guidelines pursuant to RCW  
20 84.14.030(2) and includes conditions that must be satisfied with  
21 respect to individual dwelling units, rather than with respect to the  
22 multiple-unit housing as a whole or some minimum portion thereof, the  
23 exemption may, at the local government's discretion, be limited to  
24 the value of the qualifying improvements allocable to those dwelling  
25 units that meet the local guidelines.

26 (3) In the case of rehabilitation of existing buildings, the  
27 exemption does not include the value of improvements constructed  
28 prior to the submission of the application required under this  
29 chapter. The incentive provided by this chapter is in addition to any  
30 other incentives, tax credits, grants, or other incentives provided  
31 by law.

32 (4) This chapter does not apply to increases in assessed  
33 valuation made by the assessor on nonqualifying portions of building  
34 and value of land nor to increases made by lawful order of a county  
35 board of equalization, the department of revenue, or a county, to a  
36 class of property throughout the county or specific area of the  
37 county to achieve the uniformity of assessment or appraisal required  
38 by law.

39 (5) At the conclusion of the exemption period, the value of the  
40 new housing construction, conversion, or rehabilitation improvements

1 must be considered as new construction for the purposes of chapters  
2 84.55 and 36.21 RCW as though the property was not exempt under this  
3 chapter.

4 (6) For properties that qualified for, satisfied the conditions  
5 of, and utilized the exemption under subsection (1)(a)(ii)(A) or (B)  
6 of this section, following the initial exemption period or the  
7 extension period authorized in subsection (1)(c) of this section, the  
8 exemption period may be extended for an additional 12 years for  
9 projects that are within 18 months of expiration contingent on city  
10 or county approval. For the property to qualify for an extension  
11 under this subsection (6), the applicant must meet at a minimum the  
12 locally adopted requirements for the property to qualify for an  
13 exemption under subsection (1)(a)(ii)(B) of this section as  
14 applicable at the time of the extension application, and the  
15 applicant commits to renting or selling at least 20 percent of the  
16 multifamily housing units as affordable housing units for low-income  
17 households.

18 (7) At the end of both the tenth and eleventh years of an  
19 extension, for twelve-year extensions of the exemption, applicants  
20 must provide tenants of rent-restricted units with notification of  
21 intent to provide the tenant with rental relocation assistance as  
22 provided in subsection (8) of this section.

23 (8)(a) Except as provided in (b) of this subsection, for any 12-  
24 year exemption authorized under subsection (1)(a)(ii)(B) or (iii) of  
25 this section after July 25, 2021, or for any 12-year exemption  
26 extension authorized under subsection (6) of this section, at the  
27 expiration of the exemption the applicant must provide tenant  
28 relocation assistance in an amount equal to one month's rent to a  
29 qualified tenant within the final month of the qualified tenant's  
30 lease. To be eligible for tenant relocation assistance under this  
31 subsection, the tenant must occupy an income-restricted unit at the  
32 time the exemption expires and must qualify as a low-income household  
33 under this chapter at the time relocation assistance is sought.

34 (b) If affordability requirements consistent, at a minimum, with  
35 those required under subsection (1)(a)(ii)(B) or (iii) of this  
36 section remain in place for the unit after the expiration of the  
37 exemption, relocation assistance in an amount equal to one month's  
38 rent must be provided to a qualified tenant within the final month of  
39 a qualified tenant's lease who occupies an income-restricted unit at

1 the time those additional affordability requirements cease to apply  
2 to the unit.

3 (9) No new exemptions may be provided under this section  
4 beginning on or after January 1, 2032. No extensions may be granted  
5 under subsection (6) of this section on or after January 1, 2046.

6 **Sec. 14.** RCW 84.14.030 and 2021 c 187 s 9 are each amended to  
7 read as follows:

8 An owner of property making application under this chapter must  
9 meet the following requirements:

10 (1) The new or rehabilitated multiple-unit housing must be  
11 (~~located~~):

12 (a) Located in a residential targeted area as designated by the  
13 city or county; or

14 (b) Be located fully or partially within a station area if  
15 applying under RCW 84.14.020(1)(a)(ii)(D);

16 (2) The multiple-unit housing must meet guidelines as adopted by  
17 the governing authority that may include height, density, public  
18 benefit features, number and size of proposed development, parking,  
19 income limits for occupancy, limits on rents or sale prices, and  
20 other adopted requirements indicated necessary by the city or county.  
21 The required amenities should be relative to the size of the project  
22 and tax benefit to be obtained;

23 (3) The new, converted, or rehabilitated multiple-unit housing  
24 must provide for a minimum of fifty percent of the space for  
25 permanent residential occupancy. In the case of existing occupied  
26 multifamily development, the multifamily housing must also provide  
27 for a minimum of four additional multifamily units. Existing  
28 multifamily vacant housing that has been vacant for twelve months or  
29 more does not have to provide additional multifamily units;

30 (4) New construction multifamily housing and rehabilitation  
31 improvements must be completed within three years from the date of  
32 approval of the application, plus any extension authorized under RCW  
33 84.14.090(5);

34 (5) Property proposed to be rehabilitated must fail to comply  
35 with one or more standards of the applicable state or local building  
36 or housing codes on or after July 23, 1995. If the property proposed  
37 to be rehabilitated is not vacant, an applicant must provide each  
38 existing tenant housing of comparable size, quality, and price and a  
39 reasonable opportunity to relocate; and

1 (6) The applicant must enter into a contract with the city or  
2 county approved by the governing authority, or an administrative  
3 official or commission authorized by the governing authority, under  
4 which the applicant has agreed to the implementation of the  
5 development on terms and conditions satisfactory to the governing  
6 authority.

7 **Sec. 15.** RCW 84.14.060 and 2014 c 96 s 5 are each amended to  
8 read as follows:

9 (1) The duly authorized administrative official or committee of  
10 the city or county may approve the application if it finds that:

11 (a) A minimum of four new units are being constructed or in the  
12 case of occupied rehabilitation or conversion a minimum of four  
13 additional multifamily units are being developed;

14 (b) If applicable, the proposed multiunit housing project meets  
15 the affordable housing requirements as described in ((~~RCW 84.14.020~~))  
16 this chapter;

17 (c) The proposed project is or will be, at the time of  
18 completion, in conformance with all local plans and regulations that  
19 apply at the time the application is approved;

20 (d) The owner has complied with all standards and guidelines  
21 adopted by the city or county under this chapter and, if applicable,  
22 section 3 of this act; and

23 (e) The site is located in a residential targeted area of an  
24 urban center or urban growth area that has been designated by the  
25 governing authority in accordance with procedures and guidelines  
26 indicated in RCW 84.14.040, or is located fully or partially within a  
27 station area if applying under RCW 84.14.020(1)(a)(ii)(D).

28 (2) An application may not be approved after July 1, 2007, if any  
29 part of the proposed project site is within a campus facilities  
30 master plan, except as provided in RCW 84.14.040(1)(d).

31 (3) An application may not be approved for a residential targeted  
32 area in a rural county on or after January 1, 2020.

33 **Sec. 16.** RCW 84.14.090 and 2021 c 187 s 10 are each amended to  
34 read as follows:

35 (1) Upon completion of rehabilitation or new construction for  
36 which an application for a limited tax exemption under this chapter  
37 has been approved and after issuance of the certificate of occupancy,  
38 the owner must file with the city or county the following:

1 (a) A statement of the amount of rehabilitation or construction  
2 expenditures made with respect to each housing unit and the composite  
3 expenditures made in the rehabilitation or construction of the entire  
4 property;

5 (b) A description of the work that has been completed and a  
6 statement that the rehabilitation improvements or new construction on  
7 the owner's property qualify the property for limited exemption under  
8 this chapter;

9 (c) If applicable, a statement that the project meets the  
10 affordable housing requirements as described in ((RCW 84.14.020))  
11 this chapter; and

12 (d) A statement that the work has been completed within three  
13 years of the issuance of the conditional certificate of tax  
14 exemption.

15 (2) Within ((thirty)) 30 days after receipt of the statements  
16 required under subsection (1) of this section, the authorized  
17 representative of the city or county must determine whether the work  
18 completed, and the affordability of the units, is consistent with the  
19 application and the contract approved by the city or county and is  
20 qualified for a limited tax exemption under this chapter. The city or  
21 county must also determine which specific improvements completed meet  
22 the requirements and required findings.

23 (3) If the rehabilitation, conversion, or construction is  
24 completed within three years of the date the application for a  
25 limited tax exemption is filed under this chapter, or within an  
26 authorized extension of this time limit, and the authorized  
27 representative of the city or county determines that improvements  
28 were constructed consistent with the application and other applicable  
29 requirements, including if applicable, affordable housing  
30 requirements, and the owner's property is qualified for a limited tax  
31 exemption under this chapter, the city or county must file the  
32 certificate of tax exemption with the county assessor within ((ten))  
33 10 days of the expiration of the ((thirty)) 30-day period provided  
34 under subsection (2) of this section.

35 (4) The authorized representative of the city or county must  
36 notify the applicant that a certificate of tax exemption is not going  
37 to be filed if the authorized representative determines that:

38 (a) The rehabilitation or new construction was not completed  
39 within three years of the application date, or within any authorized  
40 extension of the time limit;

1 (b) The improvements were not constructed consistent with the  
2 application or other applicable requirements;

3 (c) If applicable, the affordable housing requirements as  
4 described in ((RCW 84.14.020)) this chapter were not met; or

5 (d) The owner's property is otherwise not qualified for limited  
6 exemption under this chapter.

7 (5) If the authorized representative of the city or county finds  
8 that construction or rehabilitation of multiple-unit housing was not  
9 completed within the required time period due to circumstances beyond  
10 the control of the owner and that the owner has been acting and could  
11 reasonably be expected to act in good faith and with due diligence,  
12 the governing authority or the city or county official authorized by  
13 the governing authority may extend the deadline for completion of  
14 construction or rehabilitation for a period not to exceed ((~~twenty-~~  
15 ~~four~~)) 24 consecutive months. For preliminary or final applications  
16 submitted on or before February 15, 2020, with any outstanding  
17 application requirements, such as obtaining a temporary certificate  
18 of occupancy, the city or county may choose to extend the deadline  
19 for completion for an additional five years. The five-year extension  
20 begins immediately following the completion of any outstanding  
21 applications or previously authorized extensions, whichever is later.

22 (6) The governing authority may provide by ordinance for an  
23 appeal of a decision by the deciding officer or authority that an  
24 owner is not entitled to a certificate of tax exemption to the  
25 governing authority, a hearing examiner, or other city or county  
26 officer authorized by the governing authority to hear the appeal in  
27 accordance with such reasonable procedures and time periods as  
28 provided by ordinance of the governing authority. The owner may  
29 appeal a decision by the deciding officer or authority that is not  
30 subject to local appeal or a decision by the local appeal authority  
31 that the owner is not entitled to a certificate of tax exemption in  
32 superior court under RCW 34.05.510 through 34.05.598, if the appeal  
33 is filed within ((~~thirty~~)) 30 days of notification by the city or  
34 county to the owner of the decision being challenged.

35 **Sec. 17.** RCW 84.14.100 and 2021 c 187 s 5 are each amended to  
36 read as follows:

37 (1) Thirty days after the anniversary of the date of the  
38 certificate of tax exemption and each year for the tax exemption  
39 period, the owner of the rehabilitated or newly constructed property,

1 or the qualified nonprofit or local government that will assure  
2 permanent affordable homeownership for at least 25 percent of the  
3 units for properties receiving an exemption under RCW 84.14.021, must  
4 file with a designated authorized representative of the city or  
5 county an annual report indicating the following:

6 (a) A statement of occupancy and vacancy of the rehabilitated or  
7 newly constructed property during the twelve months ending with the  
8 anniversary date;

9 (b) A certification by the owner that the property has not  
10 changed use and, if applicable, that the property has been in  
11 compliance with the affordable housing requirements as described in  
12 (~~RCW 84.14.020~~) this chapter since the date of the certificate  
13 approved by the city or county;

14 (c) A description of changes or improvements constructed after  
15 issuance of the certificate of tax exemption; and

16 (d) Any additional information requested by the city or county in  
17 regards to the units receiving a tax exemption.

18 (2) All cities or counties, which issue certificates of tax  
19 exemption for multiunit housing that conform to the requirements of  
20 this chapter, must report annually by April 1st of each year,  
21 beginning in 2007, to the department of commerce. A city or county  
22 must be in compliance with the reporting requirements of this section  
23 to offer certificates of tax exemption for multiunit housing  
24 authorized in this chapter. The report must include the following  
25 information:

26 (a) The number of tax exemption certificates granted;

27 (b) The total number and type of units produced or to be  
28 produced;

29 (c) The number, size, and type of units produced or to be  
30 produced meeting affordable housing requirements;

31 (d) The actual development cost of each unit produced;

32 (e) The total monthly rent or total sale amount of each unit  
33 produced;

34 (f) The annual household income and household size for each of  
35 the affordable units receiving a tax exemption and a summary of these  
36 figures for the city or county; and

37 (g) The value of the tax exemption for each project receiving a  
38 tax exemption and the total value of tax exemptions granted.

39 (3) (a) The department of commerce must adopt and implement a  
40 program to effectively audit or review that the owner or operator of

1 each property for which a certificate of tax exemption has been  
2 issued, except for those properties receiving an exemption that are  
3 owned or operated by a nonprofit or for those properties receiving an  
4 exemption from a city or county that operates an independent audit or  
5 review program, is offering the number of units at rents as committed  
6 to in the approved application for an exemption and that the tenants  
7 are being properly screened to be qualified for an income-restricted  
8 unit. The audit or review program must be adopted in consultation  
9 with local governments and other stakeholders and may be based on  
10 auditing a percentage of income-restricted units or properties  
11 annually. A private owner or operator of a property for which a  
12 certificate of tax exemption has been issued under this chapter, must  
13 be audited at least once every five years.

14 (b) If the review or audit required under (a) of this subsection  
15 for a given property finds that the owner or operator is not offering  
16 the number of units at rents as committed to in the approved  
17 application or is not properly screening tenants for income-  
18 restricted units, the department of commerce must notify the city or  
19 county and the city or county must impose and collect a sliding scale  
20 penalty not to exceed an amount calculated by subtracting the amount  
21 of rents that would have been collected had the owner or operator  
22 complied with their commitment from the amount of rents collected by  
23 the owner or operator for the income-restricted units, with  
24 consideration of the severity of the noncompliance. If a subsequent  
25 review or audit required under (a) of this subsection for a given  
26 property finds continued substantial noncompliance with the program  
27 requirements, the exemption certificate must be canceled pursuant to  
28 RCW 84.14.110.

29 (c) The department of commerce may impose and collect a fee, not  
30 to exceed the costs of the audit or review, from the owner or  
31 operator of any property subject to an audit or review required under  
32 (a) of this subsection.

33 (4) The department of commerce must provide guidance to cities  
34 and counties, which issue certificates of tax exemption for multiunit  
35 housing that conform to the requirements of this chapter, on best  
36 practices in managing and reporting for the exemption programs  
37 authorized under this chapter, including guidance for cities and  
38 counties to collect and report demographic information for tenants of  
39 units receiving a tax exemption under this chapter.

40 (5) This section expires January 1, 2058.

1       **Sec. 18.** RCW 84.14.110 and 2012 c 194 s 10 are each amended to  
2 read as follows:

3       (1) If improvements have been exempted under this chapter, the  
4 improvements continue to be exempted for the applicable period under  
5 RCW 84.14.020, so long as they are not converted to another use and  
6 continue to satisfy all applicable conditions. If the owner intends  
7 to convert the multifamily development to another use, or if  
8 applicable, if the owner intends to discontinue compliance with the  
9 affordable housing requirements as described in ((~~RCW 84.14.020~~))  
10 this chapter or any other condition to exemption, the owner must  
11 notify the assessor within sixty days of the change in use or  
12 intended discontinuance. If, after a certificate of tax exemption has  
13 been filed with the county assessor, the authorized representative of  
14 the governing authority discovers that a portion of the property is  
15 changed or will be changed to a use that is other than residential or  
16 that housing or amenities no longer meet the requirements, including,  
17 if applicable, affordable housing requirements, as previously  
18 approved or agreed upon by contract between the city or county and  
19 the owner and that the multifamily housing, or a portion of the  
20 housing, no longer qualifies for the exemption, the tax exemption  
21 must be canceled and the following must occur:

22       (a) Additional real property tax must be imposed upon the value  
23 of the nonqualifying improvements in the amount that would normally  
24 be imposed, plus a penalty must be imposed amounting to twenty  
25 percent. This additional tax is calculated based upon the difference  
26 between the property tax paid and the property tax that would have  
27 been paid if it had included the value of the nonqualifying  
28 improvements dated back to the date that the improvements were  
29 converted to a nonmultifamily use;

30       (b) The tax must include interest upon the amounts of the  
31 additional tax at the same statutory rate charged on delinquent  
32 property taxes from the dates on which the additional tax could have  
33 been paid without penalty if the improvements had been assessed at a  
34 value without regard to this chapter; and

35       (c) The additional tax owed together with interest and penalty  
36 must become a lien on the land and attach at the time the property or  
37 portion of the property is removed from multifamily use or the  
38 amenities no longer meet applicable requirements, and has priority to  
39 and must be fully paid and satisfied before a recognizance, mortgage,  
40 judgment, debt, obligation, or responsibility to or with which the

1 land may become charged or liable. The lien may be foreclosed upon  
2 expiration of the same period after delinquency and in the same  
3 manner provided by law for foreclosure of liens for delinquent real  
4 property taxes. An additional tax unpaid on its due date is  
5 delinquent. From the date of delinquency until paid, interest must be  
6 charged at the same rate applied by law to delinquent ad valorem  
7 property taxes.

8 (2) Upon a determination that a tax exemption is to be canceled  
9 for a reason stated in this section, the governing authority or  
10 authorized representative must notify the record owner of the  
11 property as shown by the tax rolls by mail, return receipt requested,  
12 of the determination to cancel the exemption. The owner may appeal  
13 the determination to the governing authority or authorized  
14 representative, within thirty days by filing a notice of appeal with  
15 the clerk of the governing authority, which notice must specify the  
16 factual and legal basis on which the determination of cancellation is  
17 alleged to be erroneous. The governing authority or a hearing  
18 examiner or other official authorized by the governing authority may  
19 hear the appeal. At the hearing, all affected parties may be heard  
20 and all competent evidence received. After the hearing, the deciding  
21 body or officer must either affirm, modify, or repeal the decision of  
22 cancellation of exemption based on the evidence received. An  
23 aggrieved party may appeal the decision of the deciding body or  
24 officer to the superior court under RCW 34.05.510 through 34.05.598.

25 (3) Upon determination by the governing authority or authorized  
26 representative to terminate an exemption, the county officials having  
27 possession of the assessment and tax rolls must correct the rolls in  
28 the manner provided for omitted property under RCW 84.40.080. The  
29 county assessor must make such a valuation of the property and  
30 improvements as is necessary to permit the correction of the rolls.  
31 The value of the new housing construction, conversion, and  
32 rehabilitation improvements added to the rolls is considered as new  
33 construction for the purposes of chapter 84.55 RCW. The owner may  
34 appeal the valuation to the county board of equalization under  
35 chapter 84.48 RCW and according to the provisions of RCW 84.40.038.  
36 If there has been a failure to comply with this chapter, the property  
37 must be listed as an omitted assessment for assessment years  
38 beginning January 1 of the calendar year in which the noncompliance  
39 first occurred, but the listing as an omitted assessment may not be

1 for a period more than three calendar years preceding the year in  
2 which the failure to comply was discovered.

3 NEW SECTION. **Sec. 19.** A new section is added to chapter 84.14  
4 RCW to read as follows:

5 The governing authority of a city with a station area must adopt  
6 and implement standards and guidelines to be used in considering  
7 applications and making the determinations required under RCW  
8 84.14.060. The standards and guidelines must establish basic  
9 requirements for both new construction and rehabilitation, which must  
10 include:

- 11 (1) Application process and procedures;
- 12 (2) Income and rent standards for affordable units that meet the  
13 requirements of section 3(7)(a) of this act;
- 14 (3) Requirements that address demolition of existing structures  
15 and site utilization; and
- 16 (4) Building requirements that comply with this act.

17 **Sec. 20.** RCW 82.02.060 and 2023 c 337 s 10 are each amended to  
18 read as follows:

19 The local ordinance by which impact fees are imposed:

20 (1) Shall include a schedule of impact fees which shall be  
21 adopted for each type of development activity that is subject to  
22 impact fees, specifying the amount of the impact fee to be imposed  
23 for each type of system improvement. The schedule shall be based upon  
24 a formula or other method of calculating such impact fees. The  
25 schedule shall reflect the proportionate impact of new housing units,  
26 including multifamily and condominium units, based on the square  
27 footage, number of bedrooms, or trips generated, in the housing unit  
28 in order to produce a proportionally lower impact fee for smaller  
29 housing units. In determining proportionate share, the formula or  
30 other method of calculating impact fees shall incorporate, among  
31 other things, the following:

32 (a) The cost of public facilities necessitated by new  
33 development;

34 (b) An adjustment to the cost of the public facilities for past  
35 or future payments made or reasonably anticipated to be made by new  
36 development to pay for particular system improvements in the form of  
37 user fees, debt service payments, taxes, or other payments earmarked  
38 for or proratable to the particular system improvement;

1 (c) The availability of other means of funding public facility  
2 improvements;

3 (d) The cost of existing public facilities improvements; and

4 (e) The methods by which public facilities improvements were  
5 financed;

6 (2) May provide an exemption for low-income housing, and other  
7 development activities with broad public purposes, including  
8 development of an early learning facility, from these impact fees,  
9 provided that the impact fees for such development activity shall be  
10 paid from public funds other than impact fee accounts;

11 (3)(a) May not impose an impact fee on development activities of  
12 an early learning facility greater than that imposed on commercial  
13 retail or commercial office development activities that generate a  
14 similar number, volume, type, and duration of vehicle trips;

15 (b) When a facility or development has more than one use, the  
16 limitations in this subsection (3) or the exemption applicable to an  
17 early learning facility in subsections (2) and (4) of this section  
18 only apply to that portion that is developed as an early learning  
19 facility. The impact fee assessed on an early learning facility in  
20 such a development or facility may not exceed the least of the impact  
21 fees assessed on comparable businesses in the facility or  
22 development;

23 (4) May provide an exemption from impact fees for low-income  
24 housing or for early learning facilities. Local governments that  
25 grant exemptions for low-income housing or for early learning  
26 facilities under this subsection (4) may either: Grant a partial  
27 exemption of not more than (~~eighty~~) 80 percent of impact fees, in  
28 which case there is no explicit requirement to pay the exempted  
29 portion of the fee from public funds other than impact fee accounts;  
30 or provide a full waiver, in which case the remaining percentage of  
31 the exempted fee must be paid from public funds other than impact fee  
32 accounts, except as provided in (b) of this subsection. These  
33 exemptions are subject to the following requirements:

34 (a) An exemption for low-income housing granted under subsection  
35 (2) of this section or this subsection (4) must be conditioned upon  
36 requiring the developer to record a covenant that, except as provided  
37 otherwise by this subsection, prohibits using the property for any  
38 purpose other than for low-income housing. At a minimum, the covenant  
39 must address price restrictions and household income limits for the  
40 low-income housing, and that if the property is converted to a use

1 other than for low-income housing, the property owner must pay the  
2 applicable impact fees in effect at the time of conversion;

3 (b) An exemption for early learning facilities granted under  
4 subsection (2) of this section or this subsection (4) may be a full  
5 waiver without an explicit requirement to pay the exempted portion of  
6 the fee from public funds other than impact fee accounts if the local  
7 government requires the developer to record a covenant that requires  
8 that at least 25 percent of the children and families using the early  
9 learning facility qualify for state subsidized child care, including  
10 early childhood education and assistance under chapter 43.216 RCW,  
11 and that provides that if the property is converted to a use other  
12 than for an early learning facility, the property owner must pay the  
13 applicable impact fees in effect at the time of conversion, and that  
14 also provides that if at no point during a calendar year does the  
15 early learning facility achieve the required percentage of children  
16 and families qualified for state subsidized child care using the  
17 early learning facility, the property owner must pay 20 percent of  
18 the impact fee that would have been imposed on the development had  
19 there not been an exemption within 90 days of the local government  
20 notifying the property owner of the breach, and any balance remaining  
21 thereafter shall be a lien on the property; and

22 (c) Covenants required by (a) and (b) of this subsection must be  
23 recorded with the applicable county auditor or recording officer. A  
24 local government granting an exemption under subsection (2) of this  
25 section or this subsection (4) for low-income housing or an early  
26 learning facility may not collect revenue lost through granting an  
27 exemption by increasing impact fees unrelated to the exemption. A  
28 school district who receives school impact fees must approve any  
29 exemption under subsection (2) of this section or this subsection  
30 (4);

31 (5) Shall provide a credit for the value of any dedication of  
32 land for, improvement to, or new construction of any system  
33 improvements provided by the developer, to facilities that are  
34 identified in the capital facilities plan and that are required by  
35 the county, city, or town as a condition of approving the development  
36 activity;

37 (6) Shall allow the county, city, or town imposing the impact  
38 fees to adjust the standard impact fee at the time the fee is imposed  
39 to consider unusual circumstances in specific cases to ensure that  
40 impact fees are imposed fairly;

1 (7) Shall include a provision for calculating the amount of the  
2 fee to be imposed on a particular development that permits  
3 consideration of studies and data submitted by the developer to  
4 adjust the amount of the fee;

5 (8) Shall establish one or more reasonable service areas within  
6 which it shall calculate and impose impact fees for various land use  
7 categories per unit of development;

8 (9) May provide for the imposition of an impact fee for system  
9 improvement costs previously incurred by a county, city, or town to  
10 the extent that new growth and development will be served by the  
11 previously constructed improvements provided such fee shall not be  
12 imposed to make up for any system improvement deficiencies; (~~and~~)

13 (10) Shall provide a 50 percent reduction of the impact fees  
14 specified in the schedule of impact fees for system improvements  
15 under RCW 82.02.090(7) (a) if the project is within a station area and  
16 claiming a multiple-unit housing property tax exemption under RCW  
17 84.14.020(1) (a) (ii) (D); and

18 (11) Must adopt or amend by ordinance, and incorporate into their  
19 development regulations, zoning regulations, and other official  
20 controls the requirements of this section to take effect six months  
21 after the jurisdiction's next periodic comprehensive plan update  
22 required under RCW 36.70A.130.

23 For purposes of this section, "low-income housing" means housing  
24 with a monthly housing expense, that is no greater than (~~thirty~~) 30  
25 percent of (~~eighty~~) 80 percent of the median family income adjusted  
26 for family size, for the county where the project is located, as  
27 reported by the United States department of housing and urban  
28 development.

29 For the purposes of this section, "early learning facility" has  
30 the same meaning as in RCW 43.31.565.

31 **Sec. 21.** RCW 82.02.090 and 2023 c 121 s 2 are each amended to  
32 read as follows:

33 The definitions in this section apply throughout this section and  
34 RCW 82.02.050 through 82.02.080 unless the context clearly requires  
35 otherwise.

36 (1) "Development activity" means any construction or expansion of  
37 a building, structure, or use, any change in use of a building or  
38 structure, or any changes in the use of land, that creates additional

1 demand and need for public facilities. "Development activity" does  
2 not include:

3 (a) Buildings or structures constructed by a regional transit  
4 authority; or

5 (b) Buildings or structures constructed as shelters that provide  
6 emergency housing for people experiencing homelessness, or emergency  
7 shelters for victims of domestic violence, as defined in RCW  
8 70.123.020.

9 (2) "Development approval" means any written authorization from a  
10 county, city, or town which authorizes the commencement of  
11 development activity.

12 (3) "Impact fee" means a payment of money imposed upon  
13 development as a condition of development approval to pay for public  
14 facilities needed to serve new growth and development, and that is  
15 reasonably related to the new development that creates additional  
16 demand and need for public facilities, that is a proportionate share  
17 of the cost of the public facilities, and that is used for facilities  
18 that reasonably benefit the new development. "Impact fee" does not  
19 include a reasonable permit or application fee.

20 (4) "Owner" means the owner of record of real property, although  
21 when real property is being purchased under a real estate contract,  
22 the purchaser is considered the owner of the real property if the  
23 contract is recorded.

24 (5) "Project improvements" mean site improvements and facilities  
25 that are planned and designed to provide service for a particular  
26 development project and that are necessary for the use and  
27 convenience of the occupants or users of the project, and are not  
28 system improvements. An improvement or facility included in a capital  
29 facilities plan approved by the governing body of the county, city,  
30 or town is not considered a project improvement.

31 (6) "Proportionate share" means that portion of the cost of  
32 public facility improvements that are reasonably related to the  
33 service demands and needs of new development.

34 (7) "Public facilities" means the following capital facilities  
35 owned or operated by government entities: (a) Public streets, roads,  
36 and bicycle and pedestrian facilities that were designed with  
37 multimodal commuting as an intended use; (b) publicly owned parks,  
38 open space, and recreation facilities; (c) school facilities; and (d)  
39 fire protection facilities.

1 (8) "Service area" means a geographic area defined by a county,  
2 city, town, or intergovernmental agreement in which a defined set of  
3 public facilities provide service to development within the area.  
4 Service areas must be designated on the basis of sound planning or  
5 engineering principles.

6 (9) "Station area" has the same meaning as defined in RCW  
7 36.70A.030.

8 (10) "System improvements" mean public facilities that are  
9 included in the capital facilities plan and are designed to provide  
10 service to service areas within the community at large, in contrast  
11 to project improvements.

12 NEW SECTION. Sec. 22. Sections 12 through 19 of this act apply  
13 to property taxes levied for collection in 2026 and thereafter.

14 NEW SECTION. Sec. 23. If specific funding for the purposes of  
15 this act, referencing this act by bill or chapter number, is not  
16 provided by June 30, 2025, in the omnibus appropriations act, this  
17 act is null and void."

**3SHB 1491** - S AMD  
By Senator Trudeau

**ADOPTED AND ENGROSSED 04/15/2025**

18 On page 1, line 2 of the title, after "development;" strike the  
19 remainder of the title and insert "amending RCW 36.70A.030,  
20 43.21C.229, 84.14.010, 84.14.020, 84.14.030, 84.14.060, 84.14.090,  
21 84.14.100, 84.14.110, 82.02.060, and 82.02.090; adding new sections  
22 to chapter 36.70A RCW; adding a new section to chapter 47.12 RCW;  
23 adding a new section to chapter 64.38 RCW; adding a new section to  
24 chapter 64.90 RCW; adding a new section to chapter 64.34 RCW; adding  
25 a new section to chapter 64.32 RCW; adding a new section to chapter  
26 84.14 RCW; creating new sections; and providing expiration dates."

--- END ---