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## Housing Committee

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### HB 1491

**Brief Description:** Promoting transit-oriented housing development.

**Sponsors:** Representatives Reed, Richards, Berry, Duerr, Cortes, Doglio, Ryu, Fitzgibbon, Alvarado, Davis, Ramel, Parshley, Mena, Peterson, Nance, Macri, Fosse, Kloba, Ormsby, Scott, Pollet, Hill, Obras and Simmons.

#### Brief Summary of Bill

- Prohibits cities planning under the Growth Management Act (GMA) from enacting or enforcing any development regulation within a station area that prohibits the siting of multifamily residential housing where any other residential use is permissible, with some exceptions.
- Requires cities planning under the GMA to allow new residential and mixed-use development within any station area at certain transit-oriented development densities.
- Establishes affordability requirements for residential buildings constructed within a station area.

**Hearing Date:** 1/28/25

**Staff:** Serena Dolly (786-7150).

#### **Background:**

##### Growth Management Act.

The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. The GMA establishes land use designation and environmental protection requirements for all Washington counties and cities. The GMA also establishes a significantly wider array of planning duties for 28 counties, and the cities within

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those counties, that are obligated to satisfy all planning requirements of the GMA. These jurisdictions are sometimes said to be fully planning under the GMA.

Counties that fully plan under the GMA must designate urban growth areas (UGAs), within which urban growth must be encouraged and outside of which growth may occur only if it is not urban in nature. Each city in a county must be included in a UGA. Planning jurisdictions must include within their UGAs sufficient areas and densities to accommodate projected urban growth for the succeeding 20-year period.

The GMA also directs fully planning jurisdictions to adopt internally consistent comprehensive land use plans. Comprehensive plans are implemented through locally adopted development regulations, and both the plans and the local regulations are subject to review and revision requirements prescribed in the GMA. When developing their comprehensive plans, counties and cities must consider various goals set forth in statute. Fully planning counties and cities must review and, if necessary, revise their comprehensive plans every 10 years to ensure they comply with the GMA. Fully planning counties meeting certain criteria, and cities within those counties with a population of at least 6,000, must complete an implementation progress report detailing the progress they have achieved in implementing their comprehensive plan five years after the review and revision of their comprehensive plan.

Each comprehensive plan must include a plan, scheme, or design for certain mandatory elements, including a housing element. The housing element must ensure the vitality and character of established residential neighborhoods.

### **Summary of Bill:**

#### Station Area Designation.

Fully planning cities may not enact or enforce any development regulation within a station area that prohibits the siting of multifamily residential housing on lots where any other residential use is permissible. A station area is comprised of all lots within a UGA that are fully or partially within:

- 0.5 miles walking distance of an entrance to a train station with a stop on a light rail system, a commuter rail stop, or a stop on rail or fixed guideway system; and
- 0.25 miles walking distance of a stop on a fixed route bus system that: (1) is designated as a bus rapid transit stop in a transit development plan; (2) has been issued an environmental determination under the State Environmental Policy Act (SEPA); and (3) features fixed transit assets that indicate permanent, high-capacity service, including elevated platforms or enhanced stations, off-board fare collection, dedicated lanes, busways, or traffic signal priority.

A fully planning city may adopt a modification to the station area boundaries after consultation with and approval by the Department of Commerce (Commerce).

#### Density Requirements.

Floor area ratio (FAR) means a measure of development intensity equal to building square footage divided by the developable property square footage. Within a station area, fully planning cities may not impose a maximum residential density or impose a maximum FAR for new residential or mixed-use development as follows:

- 3.5 FAR, on average, for lots within 0.5 miles walking distance of an entrance to a train station with a stop on a light rail system, a commuter rail stop, or a stop on rail or fixed guideway systems;
- 2.5 FAR, on average, for lots within 0.25 miles walking distance of a stop on a fixed route bus system that: (1) is designated as a bus rapid transit stop in a transit development plan; (2) has been issued an environmental determination under SEPA; and (3) features fixed transit assets that indicate permanent, high-capacity service, including elevated platforms or enhanced stations, off-board fare collection, dedicated lanes, busways, or traffic signal priority.

A city exempting up to 25 percent of station areas surrounding a fixed route bus system must not impose a FAR of less than 3.0, on average, in the remaining station areas.

Cities may designate parts of a station area to enact or enforce FARs that are more or less than the density requirement, if the average maximum FAR for all residential and mixed-use areas in the station area is no less than the required density.

Cities may exclude from the density requirements any portion of a lot that is designated as a shoreline environment or a critical area and any lot that:

- is nonconforming with development regulations for lot dimensions, unless an applicant demonstrates that the nonconforming lot may be developed in compliance with development regulations;
- contains a designated landmark or is located within a historic district previously established under a local preservation ordinance;
- has been designated as containing urban separators by countywide planning policies; or
- is an industrial or agricultural designated lot that either is limited to one dwelling unit per lot or only allows housing for individuals and their families responsible for caretaking, farm work, security, or maintenance.

#### Density Bonuses.

Within any station area, an additional 1.5 FAR in excess of the density required must be allowed for a building in which all units are affordable to households with a monthly income that does not exceed 80 percent of area median or are permanent supportive housing.

Multifamily housing units with at least three bedrooms may not be counted toward FAR limits.

#### Affordability Requirements.

Residential buildings constructed within a station area must maintain affordability requirements for at least 50 years as follows:

- at least 10 percent of all units must be affordable to households with a monthly income

that does not exceed 60 percent of the area median for rental housing and 80 percent of the area median for owner-occupied housing; or

- at least 20 percent of all rental units must be affordable to households with a monthly income that does not exceed 80 percent of the area median.

Residential buildings are exempt from the affordability requirements if:

- the building is constructed on a lot in which a density that meets or exceeds the transit-oriented development density was authorized prior to January 1, 2025;
- the building is subject to affordability requirements, with a lower income threshold or a greater amount of required affordable housing, that were enacted prior to January 1, 2025; or
- a city has enacted or expands a mandatory affordable housing incentive program that requires a minimum amount of affordable housing to be provided by residential development, either on-site or through an in-lieu payment.

A city that has enacted an incentive program prior to January 1, 2025, that requires public benefits, such as school capacity, affordable housing, green space, or green infrastructure, in return for additional height or FAR may continue to require such public benefits if the additional development capacity otherwise would have triggered the public benefits requirements.

A city is not prohibited from approving a multifamily property tax exemption (MFTE) within a station area as long as the building meets the affordability requirements of a station area and the MFTE requirements.

#### Development Regulations.

Cities may apply any objective development regulations within a station area that are required for other multifamily residential uses in the same zone, including tree canopy and retention requirements.

Transit-oriented development regulations do not require:

- alteration, displacement, or limitation of industrial, manufacturing, or agricultural areas within a UGA; or
- a city to issue a building permit if other federal, state, or local requirements for a building permit are not met.

#### Compliance.

The deadline for fully planning cities to comply with the transit-oriented development requirements is based on the date of the city's next comprehensive plan update. Any city that was required to review its comprehensive plan by December 31, 2024, must comply by the earlier of December 31, 2029, or its first implementation progress report due after December 31, 2024. Any city that is next required to review its comprehensive plan after December 31, 2024, must comply no later than six months after its first comprehensive plan update due after December 31, 2024. Thereafter, all fully planning cities must comply at each comprehensive plan update or implementation progress report following the completion or funding of any transit

stop that would create a new station area.

Commerce must develop a model transit-oriented development ordinance, which will supersede, preempt, and invalidate local development regulations if a city does not implement the requirements by its deadline.

Commerce may approve station area plans and implementing regulations adopted prior to June 30, 2026, as substantially similar to the transit-oriented development requirements.

A city may apply to Commerce for a deadline extension from the density requirements in any areas at high risk of displacement, based on a city's anti-displacement analysis or an anti-displacement map. Commerce must review the city's analysis and certify a five-year extension for areas at high risk of displacement. The city must create an implementation plan that identifies the anti-displacement policies available to residents to mitigate displacement risk. During the extension, the city may delay implementation or enact alternative FAR requirements within any areas at high risk of displacement. Commerce may recertify an extension for additional five-year periods based on evidence of ongoing displacement risk.

For cities subject to a growth target that limits the maximum residential capacity of the jurisdiction, any additional residential capacity required may not be considered an inconsistency with the countywide planning policies, multicounty planning policies, or growth targets.

#### Grant Program.

Subject to appropriation, Commerce must establish and administer a capital grant program to assist cities in providing the infrastructure necessary to accommodate development at transit-oriented development densities within station areas, including water, sewer, stormwater, transportation, parks, and recreation facilities.

#### Limitations on Minimum Residential Parking Requirements.

Fully planning cities may not require off-street parking for residential or mixed-use development within a station area, except for off-street parking that is permanently marked for the exclusive use of individuals with disabilities or for the short-term, exclusive use of delivery vehicles. The prohibition against off-street parking requirements does not apply:

- if the city provides Commerce with an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and Commerce finds and certifies, that the limits on off-street parking in a defined area will be significantly less safe for vehicle drivers or passengers, pedestrians, or bicyclists than if the jurisdiction's parking requirements were applied to the same location without increased transit-oriented development and density requirements; or
- to any portion of a city within a 1-mile radius of a commercial airport with at least 9 million annual enplanements.

If a residential or mixed-use development in a station area provides parking, cities may require:

- a share of any provided residential parking to be distributed between units designated as

- affordable housing and units offered at market rate; and
- the cost of unbundled parking charges to be included in the monthly cost for rental units designated as affordable housing.

State Environmental Policy Act.

All project actions that propose to develop residential or mixed-use development within a station area are categorically exempt from SEPA.

Common Interest Communities.

New governing documents and declarations of common interest communities, such as condominiums and homeowner associations, may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities or require off-street parking inconsistent or in conflict with transit-oriented development requirements.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.