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SUBSTITUTE HOUSE BILL 1195

State of Washington 69th Legislature 2025 Regular Session

By House Housing (originally sponsored by Representatives Peterson, Macri, Alvarado, Ryu, Berry, Ramel, Fitzgibbon, Mena, Callan, Obras, Farivar, Doglio, Gregerson, Simmons, Street, Duerr, Nance, Berg, Davis, Ormsby, and Hill)

READ FIRST TIME 02/03/25.

- AN ACT Relating to compliance with siting, development permit processes and standards, and requirements for permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters; amending RCW 35.21.683 and 35A.21.430; adding a new section to chapter 36.70A RCW; and adding a new section to chapter 43.330 RCW.
- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 8 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 36.70A 9 RCW to read as follows:
- (1) A local comprehensive plan or development regulations, 10 11 permit processes, development standards, or conditions imposed under this chapter, chapter 43.21C RCW, or Title 12 13 35 or 35A RCW, may not deny or preclude a permit application for 14 permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelter in any residential or commercial 15 16 zone within an urban growth area that includes or is contiguous with 17 a city.
- 18 (2) A county or city must review for compliance any permit 19 application for permanent supportive housing, transitional housing, 20 indoor emergency housing, or indoor emergency shelters using an 21 administrative process only.

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(3) (a) If a permit applicant is unable to site permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters due to a county or city comprehensive plan or development regulation, the applicant may seek a waiver of certain requirements from the local government to allow the siting of the facility. The permit applicant must describe any local permit processes, development standards, or permit conditions that the permit applicant asserts would deny or preclude the siting, construction, or operation of the proposed facility, including:

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- 10 (i) The specific local permit processes, development standards, 11 or permit conditions that deny or preclude the siting, construction, 12 or operation of the proposed facility;
- (ii) How the identified processes, standards, or permit conditions preclude the siting, construction, or operation of the proposed facility; and
- 16 (iii) The minimum waiver or relief to allow the siting, 17 construction, or operation of the proposed facility.
 - (b) If a county or city and a permit applicant disagree about the assertions, either party may request that the department provide dispute resolution services under section 2 of this act.
 - (4) Nothing in this section requires a city or county to approve a permit application for permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters that are located in a critical area, an area of natural hazards that generally prohibit residential development, or on agricultural, forest, or mineral lands of long-term commercial significance.
- NEW SECTION. Sec. 2. A new section is added to chapter 43.330 RCW to read as follows:
- 29 (1) The department shall provide services to facilitate the 30 timely resolution of disputes between a county or a city and:
- 31 (a) An applicant seeking a project permit or development 32 agreement to site or construct permanent supportive housing, 33 transitional housing, indoor emergency housing, or indoor emergency 34 shelters; or
- 35 (b) A developer of permanent supportive housing, transitional 36 housing, indoor emergency housing, or indoor emergency shelters that 37 alleges a zoning ordinance or development regulations adopted by the 38 county or city either:

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- 1 (i) Prevents the siting, construction, or operation of housing or 2 shelter in violation of RCW 35.21.683, 35A.21.430, 36.130.020, or 3 36.70A.070(2)(c); or
- 4 (ii) Precludes the siting, construction, or operation of a 5 facility pursuant to section 1 of this act.

- (2) A county, city, applicant, or developer as specified in subsection (1) of this section may request that the department provide facilitation services to resolve issues of concern with a proposed development of permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters.
- (3) If dispute resolution is unsuccessful, the county or city must submit the project permit application, any development agreement, any zoning ordinance and related development regulations, or any other relevant documents, including a statement of the reason for any denial, rescission, or conditions of approval, the requirements necessary to fulfill the development agreement or development regulations, or how the adopted ordinance and development regulations comply with RCW 35.21.683, 35A.21.430, 36.130.020, 36.70A.070(2)(c), and section 1 of this act, to the department for review.
- (4) (a) If the department finds that the final decision on the project permit application, a development agreement, or another permitting process does not comply with RCW 35.21.683, 35A.21.430, 36.130.020, or 36.70A.070(2)(c), or precludes the siting, construction, or operation of a facility pursuant to section 1 of this act, the department shall reverse and vacate the noncompliant portion of the final decision and direct the county or city to take corrective administrative action within 60 days.
- (b) If the department finds that a zoning ordinance or development regulations adopted by the county or city prevents the siting, construction, or operation of housing or shelter in violation of RCW 35.21.683, 35A.21.430, 36.130.020, or 36.70A.070(2)(c), or precludes the siting, construction, or operation of a facility pursuant to section 1 of this act, the department must issue a determination of noncompliance and invalidity and return the zoning ordinance or development regulation to the county or city for corrective legislative action within 120 days.
- 38 (5)(a) A final decision of the department under subsection (4) of 39 this section is exempt from appeal under chapter 36.70A or 43.21C 40 RCW.

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1 (b) Corrective action required under subsection (4) of this 2 section is exempt from appeal under chapter 36.70A or 43.21C RCW.

- (6)(a) The department shall notify the state treasurer if a county or city fails to:
- (i) Issue a project permit application, development agreement, or another permit or process decision within 60 days of a determination of noncompliance under subsection (4)(a) of this section; or
- (ii) Amend its zoning ordinance and related development regulations to comply with RCW 35.21.683, 35A.21.430, 36.130.020, 36.70A.070(2)(c), and 36.70A.200 within 120 days of a determination of noncompliance under subsection (4)(b) of this section.
- (b) Upon notification, the state treasurer shall withhold the following revenues to which a county or city is entitled: (i) The motor vehicle fuel tax, as provided in chapter 82.38 RCW; (ii) the transportation improvement account, as provided in RCW 47.26.084; (iii) the rural arterial trust account, as provided in RCW 36.79.150; (iv) the sales and use tax, as provided in chapter 82.14 RCW; (v) the liquor profit tax, as provided in RCW 66.08.190; and (vi) the liquor excise tax, as provided in RCW 82.08.170.
- (c) The state treasurer shall resume distributions of revenues withheld under (b) of this subsection when the county or city issues the project permit application or amends its zoning ordinance and related development regulations.
- (7) An applicant submitting a project permit application, development agreement, or other documents for permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters may submit a copy of the project permit application, development agreement, or other documents to the department. An applicant also may request a review of any denial, rescission, or conditions for approval by a county or city.
- 31 (8) The department may adopt any rules necessary to implement 32 this section.
- **Sec. 3.** RCW 35.21.683 and 2021 c 254 s 4 are each amended to 34 read as follows:
 - (1) A city shall not prohibit transitional housing or permanent supportive housing in any zones in which residential dwelling units or hotels are allowed. Effective September 30, 2021, a city shall not prohibit indoor emergency shelters and indoor emergency housing in any zones in which hotels are allowed, except in such cities that

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1 have adopted an ordinance authorizing indoor emergency shelters and indoor emergency housing in a majority of zones within a one-mile 2 3 proximity to transit. Reasonable occupancy, spacing, and intensity of use requirements may be imposed by ordinance on permanent supportive 4 housing, transitional housing, indoor emergency housing, and indoor 5 6 emergency shelters to protect public health and safety. Any such 7 requirements on occupancy, spacing, and intensity of use may not prevent the siting of a sufficient number of permanent supportive 8 housing, transitional housing, indoor emergency housing, or indoor 9 10 emergency shelters necessary to accommodate each city's projected need for such housing and shelter under RCW 36.70A.070(2)(a)(ii). 11

(2) A city may not approve a permit application for transitional housing, permanent supportive housing, indoor emergency housing, or indoor emergency shelters in an area zoned for industrial use.

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- 15 (3) A city must process a permit application for transitional
 16 housing, permanent supportive housing, indoor emergency housing, or
 17 indoor emergency shelters pursuant to administrative design review as
 18 defined in RCW 36.70A.030.
- 19 **Sec. 4.** RCW 35A.21.430 and 2021 c 254 s 3 are each amended to 20 read as follows:
 - (1) A code city shall not prohibit transitional housing or permanent supportive housing in any zones in which residential dwelling units or hotels are allowed. Effective September 30, 2021, a code city shall not prohibit indoor emergency shelters and indoor emergency housing in any zones in which hotels are allowed, except in such cities that have adopted an ordinance authorizing indoor emergency shelters and indoor emergency housing in a majority of zones within a one-mile proximity to transit. Reasonable occupancy, spacing, and intensity of use requirements may be imposed by ordinance on permanent supportive housing, transitional housing, indoor emergency housing, and indoor emergency shelters to protect public health and safety. Any such requirements on occupancy, spacing, and intensity of use may not prevent the siting of a sufficient number of permanent supportive housing, transitional housing, indoor emergency housing, or indoor emergency shelters necessary to accommodate each code city's projected need for such housing and shelter under RCW 36.70A.070(2)(a)(ii).
 - (2) A code city may not approve a permit application for transitional housing, permanent supportive housing, indoor emergency

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- 1 housing, or indoor emergency shelters in an area zoned for industrial
- 2 <u>use.</u>
- 3 (3) A code city must process a permit application for
- 4 transitional housing, permanent supportive housing, indoor emergency
- 5 housing, or indoor emergency shelters pursuant to administrative
- 6 <u>design review as defined in RCW 36.70A.030.</u>

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