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**SECOND SUBSTITUTE HOUSE BILL 1195**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** House Appropriations (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 02/21/25.

1 AN ACT Relating to compliance with siting, development permit  
2 processes and standards, and requirements for permanent supportive  
3 housing, transitional housing, indoor emergency housing, or indoor  
4 emergency shelters; amending RCW 35.21.683 and 35A.21.430; adding a  
5 new section to chapter 36.70A RCW; adding a new section to chapter  
6 43.330 RCW; and creating a new section.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 36.70A  
9 RCW to read as follows:

10 (1) A local comprehensive plan or development regulations,  
11 including permit processes, development standards, or permit  
12 conditions imposed under this chapter, chapter 43.21C RCW, or Title  
13 35 or 35A RCW, may not deny or preclude a permit application for  
14 permanent supportive housing, transitional housing, indoor emergency  
15 housing, or indoor emergency shelter in any residential or commercial  
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.

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

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;

13 (ii) How the identified processes, standards, or permit  
14 conditions preclude the siting, construction, or operation of the  
15 proposed facility; and

16 (iii) The minimum waiver or relief to allow the siting,  
17 construction, or operation of the proposed facility.

18 (b) If a county or city and a permit applicant disagree about the  
19 assertions, either party may request that the department provide  
20 dispute resolution services under section 2 of this act.

21 (4) Nothing in this section requires a city or county to approve  
22 a permit application for permanent supportive housing, transitional  
23 housing, indoor emergency housing, or indoor emergency shelters that  
24 are located in a critical area, an area of natural hazards that  
25 generally prohibit residential development, or on agricultural,  
26 forest, or mineral lands of long-term commercial significance.

27 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330  
28 RCW to read as follows:

29 (1) Subject to the availability of amounts appropriated for this  
30 specific purpose, the department shall provide services to facilitate  
31 the timely resolution of disputes between a county or a city and:

32 (a) An applicant seeking a project permit or development  
33 agreement to site or construct permanent supportive housing,  
34 transitional housing, indoor emergency housing, or indoor emergency  
35 shelters; or

36 (b) A developer of permanent supportive housing, transitional  
37 housing, indoor emergency housing, or indoor emergency shelters that  
38 alleges a zoning ordinance or development regulations adopted by the  
39 county or city either:

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.

6 (2) A county, city, applicant, or developer as specified in  
7 subsection (1) of this section may request that the department  
8 provide facilitation services to resolve issues of concern with a  
9 proposed development of permanent supportive housing, transitional  
10 housing, indoor emergency housing, or indoor emergency shelters.

11 (3) If dispute resolution is unsuccessful, the county or city  
12 must submit the project permit application, any development  
13 agreement, any zoning ordinance and related development regulations,  
14 or any other relevant documents, including a statement of the reason  
15 for any denial, rescission, or conditions of approval, the  
16 requirements necessary to fulfill the development agreement or  
17 development regulations, or how the adopted ordinance and development  
18 regulations comply with RCW 35.21.683, 35A.21.430, 36.130.020,  
19 36.70A.070(2)(c), and section 1 of this act, to the department for  
20 review.

21 (4)(a) If the department finds that the final decision on the  
22 project permit application, a development agreement, or another  
23 permitting process does not comply with RCW 35.21.683, 35A.21.430,  
24 36.130.020, or 36.70A.070(2)(c), or precludes the siting,  
25 construction, or operation of a facility pursuant to section 1 of  
26 this act, the department shall reverse and vacate the noncompliant  
27 portion of the final decision and direct the county or city to take  
28 corrective administrative action within 60 days.

29 (b) If the department finds that a zoning ordinance or  
30 development regulations adopted by the county or city prevents the  
31 siting, construction, or operation of housing or shelter in violation  
32 of RCW 35.21.683, 35A.21.430, 36.130.020, or 36.70A.070(2)(c), or  
33 precludes the siting, construction, or operation of a facility  
34 pursuant to section 1 of this act, the department must issue a  
35 determination of noncompliance and invalidity and return the zoning  
36 ordinance or development regulation to the county or city for  
37 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.

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

3 (6) (a) The department shall notify the state treasurer if a  
4 county or city fails to:

5 (i) Issue a project permit application, development agreement, or  
6 another permit or process decision within 60 days of a determination  
7 of noncompliance under subsection (4) (a) of this section; or

8 (ii) Amend its zoning ordinance and related development  
9 regulations to comply with RCW 35.21.683, 35A.21.430, 36.130.020,  
10 36.70A.070(2)(c), and 36.70A.200 within 120 days of a determination  
11 of noncompliance under subsection (4) (b) of this section.

12 (b) Upon notification, the state treasurer shall withhold the  
13 following revenues to which a county or city is entitled: (i) The  
14 motor vehicle fuel tax, as provided in chapter 82.38 RCW; (ii) the  
15 transportation improvement account, as provided in RCW 47.26.084;  
16 (iii) the rural arterial trust account, as provided in RCW 36.79.150;  
17 (iv) the sales and use tax, as provided in chapter 82.14 RCW; (v) the  
18 liquor profit tax, as provided in RCW 66.08.190; and (vi) the liquor  
19 excise tax, as provided in RCW 82.08.170.

20 (c) The state treasurer shall resume distributions of revenues  
21 withheld under (b) of this subsection when the county or city issues  
22 the project permit application or amends its zoning ordinance and  
23 related development regulations.

24 (7) An applicant submitting a project permit application,  
25 development agreement, or other documents for permanent supportive  
26 housing, transitional housing, indoor emergency housing, or indoor  
27 emergency shelters may submit a copy of the project permit  
28 application, development agreement, or other documents to the  
29 department. An applicant also may request a review of any denial,  
30 rescission, or conditions for approval by a county or city.

31 (8) The department may adopt any rules necessary to implement  
32 this section.

33 **Sec. 3.** RCW 35.21.683 and 2021 c 254 s 4 are each amended to  
34 read as follows:

35 (1) A city shall not prohibit transitional housing or permanent  
36 supportive housing in any zones in which residential dwelling units  
37 or hotels are allowed. Effective September 30, 2021, a city shall not  
38 prohibit indoor emergency shelters and indoor emergency housing in  
39 any zones in which hotels are allowed, except in such cities that

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

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

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:

21 (1) A code city shall not prohibit transitional housing or  
22 permanent supportive housing in any zones in which residential  
23 dwelling units or hotels are allowed. Effective September 30, 2021, a  
24 code city shall not prohibit indoor emergency shelters and indoor  
25 emergency housing in any zones in which hotels are allowed, except in  
26 such cities that have adopted an ordinance authorizing indoor  
27 emergency shelters and indoor emergency housing in a majority of  
28 zones within a one-mile proximity to transit. Reasonable occupancy,  
29 spacing, and intensity of use requirements may be imposed by  
30 ordinance on permanent supportive housing, transitional housing,  
31 indoor emergency housing, and indoor emergency shelters to protect  
32 public health and safety. Any such requirements on occupancy,  
33 spacing, and intensity of use may not prevent the siting of a  
34 sufficient number of permanent supportive housing, transitional  
35 housing, indoor emergency housing, or indoor emergency shelters  
36 necessary to accommodate each code city's projected need for such  
37 housing and shelter under RCW 36.70A.070(2)(a)(ii).

38 (2) A code city may not approve a permit application for  
39 transitional housing, permanent supportive housing, indoor emergency

1 housing, or indoor emergency shelters in an area zoned for industrial  
2 use.

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 design review as defined in RCW 36.70A.030.

7 NEW SECTION. Sec. 5. If specific funding for the purposes of  
8 this act, referencing this act by bill or chapter number, is not  
9 provided by June 30, 2025, in the omnibus appropriations act, this  
10 act is null and void.

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