SENATE BILL 5497

State of Washington 69th Legislature 2025 Regular Session

By Senators Alvarado, Bateman, Nobles, Saldaña, Trudeau, Wellman, and C. Wilson

Read first time 01/27/25. Referred to Committee on Housing.

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:

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.

16 (2) A county or city must approve any permit application for 17 permanent supportive housing, transitional housing, indoor emergency 18 housing, or indoor emergency shelters using an administrative process 19 only.

20 (3)(a) If a permit applicant is unable to site permanent 21 supportive housing, transitional housing, indoor emergency housing,

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1 or indoor emergency shelters due to a county or city comprehensive plan or development regulations, the applicant may seek a waiver of 2 certain requirements from the local government to allow the siting of 3 the facility. The permit application must describe any local permit 4 processes, development standards, or permit conditions that the 5 6 permit applicant asserts would deny, preclude, or otherwise have a 7 preclusive effect on the siting, construction, or operation of the proposed facility, including: 8

9 (i) The specific local permit processes, development standards, 10 or permit conditions that have a preclusive effect on the siting, 11 construction, or operation of the proposed facility;

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

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

(b) If a county or city and a permit applicant disagree about the preclusive effect of processes, standards, or conditions, 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.

(5) For the purposes of this section, "preclusive effect" means
 an action or condition that is incapable of being accomplished by
 means available to a permit applicant or developer.

31 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 43.330 32 RCW to read as follows:

33 (1) The department shall provide services to facilitate the 34 timely resolution of disputes between a county or a city and:

35 (a) An applicant seeking a project permit or development 36 agreement to site or construct permanent supportive housing, 37 transitional housing, indoor emergency housing, or indoor emergency 38 shelters; or

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1 (b) A developer of permanent supportive housing, transitional 2 housing, indoor emergency housing, or indoor emergency shelters that 3 alleges a zoning ordinance or development regulations adopted by the 4 county or city either:

5 (i) Prevents the siting, construction, or operation of housing or 6 shelter in violation of RCW 35.21.683, 35A.21.430, 36.130.020, or 7 36.70A.070(2)(c); or

8 (ii) Precludes the siting, construction, or operation of a 9 facility pursuant to section 1 of this act.

10 (2) A county, city, applicant, or developer as specified in 11 subsection (1) of this section may request that the department 12 provide facilitation services to resolve issues of concern with a 13 proposed development of permanent supportive housing, transitional 14 housing, indoor emergency housing, or indoor emergency shelters.

(3) If dispute resolution is unsuccessful, the county or city 15 16 must submit the project permit application, any development 17 agreement, any zoning ordinance and related development regulations, 18 or any other relevant documents, including a statement of the reason 19 for any denial, rescission, or conditions of approval, the requirements necessary to fulfill the development agreement or 20 development regulations, or how the adopted ordinance and development 21 22 regulations comply with RCW 35.21.683, 35A.21.430, 36.130.020, 23 36.70A.070(2)(c), and section 1 of this act, to the department for 24 review.

25 (4) (a) If the department finds that the final decision on the 26 project permit application, a development agreement, or another permitting process does not comply with RCW 35.21.683, 35A.21.430, 27 28 36.130.020, or 36.70A.070(2)(c), or precludes the siting, 29 construction, or operation of a facility pursuant to section 1 of this act, the department shall reverse and vacate the noncompliant 30 31 portion of the final decision and direct the county or city to take 32 corrective administrative action within 60 days.

33 (b) If the department finds that a zoning ordinance or 34 development regulations adopted by the county or city prevents the 35 siting, construction, or operation of housing or shelter in violation 36 of RCW 35.21.683, 35A.21.430, 36.130.020, or 36.70A.070(2)(c), or 37 precludes the siting, construction, or operation of a facility 38 pursuant to section 1 of this act, the department must issue a 39 determination of noncompliance and invalidity and return the zoning

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ordinance or development regulation to the county or city for
 corrective legislative action within 60 days.

3 (5)(a) A final decision of the department under subsection (4) of
4 this section is exempt from appeal under chapter 36.70A or 43.21C
5 RCW.

6 (b) Corrective action required under subsection (4) of this 7 section is exempt from appeal under chapter 36.70A or 43.21C RCW.

8 (6)(a) The department shall notify the state treasurer if a 9 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 60 days of a determination of noncompliance under subsection (4)(b) of this section.

17 (b) Upon notification, the state treasurer shall withhold the 18 following revenues to which a county or city is entitled: (i) The 19 motor vehicle fuel tax, as provided in chapter 82.38 RCW; (ii) the transportation improvement account, as provided in RCW 47.26.084; 20 (iii) the rural arterial trust account, as provided in RCW 36.79.150; 21 22 (iv) the sales and use tax, as provided in chapter 82.14 RCW; (v) the 23 liquor profit tax, as provided in RCW 66.08.190; and (vi) the liquor excise tax, as provided in RCW 82.08.170. 24

(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.

29 applicant submitting a project permit application, (7) An development agreement, or other documents for permanent supportive 30 housing, transitional housing, indoor emergency housing, or indoor 31 32 emergency shelters may submit a copy of the project permit 33 application, development agreement, or other documents to the department. An applicant also may request a review of any denial, 34 rescission, or conditions for approval by a county or city. 35

36 (8) The department may adopt any rules necessary to implement 37 this section.

38 Sec. 3. RCW 35.21.683 and 2021 c 254 s 4 are each amended to 39 read as follows:

1 (1) A city shall not prohibit transitional housing or permanent supportive housing in any zones in which residential dwelling units 2 3 or hotels are allowed. Effective September 30, 2021, a city shall not prohibit indoor emergency shelters and indoor emergency housing in 4 any zones in which hotels are allowed, except in such cities that 5 6 have adopted an ordinance authorizing indoor emergency shelters and indoor emergency housing in a majority of zones within a one-mile 7 proximity to transit. Reasonable occupancy, spacing, and intensity of 8 use requirements may be imposed by ordinance on permanent supportive 9 housing, transitional housing, indoor emergency housing, and indoor 10 11 emergency shelters to protect public health and safety. Any such 12 requirements on occupancy, spacing, and intensity of use may not prevent the siting of a sufficient number of permanent supportive 13 14 housing, transitional housing, indoor emergency housing, or indoor emergency shelters necessary to accommodate each city's projected 15 16 need for such housing and shelter under RCW 36.70A.070(2)(a)(ii).

17 (2) A city must process a permit application for transitional 18 housing, permanent supportive housing, indoor emergency housing, or 19 indoor emergency shelters pursuant to administrative design review as 20 defined in RCW 36.70A.030.

21 Sec. 4. RCW 35A.21.430 and 2021 c 254 s 3 are each amended to 22 read as follows:

(1) A code city shall not prohibit transitional housing or 23 24 permanent supportive housing in any zones in which residential dwelling units or hotels are allowed. Effective September 30, 2021, a 25 code city shall not prohibit indoor emergency shelters and indoor 26 27 emergency housing in any zones in which hotels are allowed, except in 28 such cities that have adopted an ordinance authorizing indoor emergency shelters and indoor emergency housing in a majority of 29 30 zones within a one-mile proximity to transit. Reasonable occupancy, 31 spacing, and intensity of use requirements may be imposed by 32 ordinance on permanent supportive housing, transitional housing, indoor emergency housing, and indoor emergency shelters to protect 33 public health and safety. Any such requirements on occupancy, 34 spacing, and intensity of use may not prevent the siting of a 35 sufficient number of permanent supportive housing, transitional 36 housing, indoor emergency housing, or 37 indoor emergency shelters 38 necessary to accommodate each code city's projected need for such housing and shelter under RCW 36.70A.070(2)(a)(ii). 39

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2	<u>transiti</u>	onal	housin	g, pe	ermanent	support	Lve	housing	, ir	ndoor emer	gency
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