

SB 5312 - H COMM AMD

By Committee on Environment & Energy

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

3 **"Sec. 1.** RCW 36.70A.500 and 2012 1st sp.s. c 1 s 310 are each
4 amended to read as follows:

5 (1) The department of commerce shall provide management services
6 for the growth management planning and environmental review fund
7 created by RCW 36.70A.490. The department shall establish procedures
8 for fund management. The department shall encourage participation in
9 the grant or loan program by other public agencies. The department
10 shall develop the grant or loan criteria, monitor the grant or loan
11 program, and select grant or loan recipients in consultation with
12 state agencies participating in the grant or loan program through the
13 provision of grant or loan funds or technical assistance.

14 (2) A grant or loan may be awarded to a county or city that is
15 required to or has chosen to plan under RCW 36.70A.040 and that is
16 qualified pursuant to this section. The grant or loan shall be
17 provided to assist a county or city in paying for the cost of
18 preparing an environmental analysis under chapter 43.21C RCW, that is
19 integrated with a comprehensive plan, subarea plan, plan element,
20 countywide planning policy, development regulation, monitoring
21 program, or other planning activity adopted under or implementing
22 this chapter that:

23 (a) Improves the process for project permit review while
24 maintaining environmental quality; or

25 (b) Encourages use of plans and information developed for
26 purposes of complying with this chapter to satisfy requirements of
27 other state programs.

28 (3) In order to qualify for a grant or loan, a county or city
29 shall:

30 (a) Demonstrate that it will prepare an environmental analysis
31 pursuant to chapter 43.21C RCW and subsection (2) of this section
32 that is integrated with a comprehensive plan, subarea plan, plan

1 element, countywide planning policy, development regulations,
2 monitoring program, or other planning activity adopted under or
3 implementing this chapter;

4 (b) Address environmental impacts and consequences, alternatives,
5 and mitigation measures in sufficient detail to allow the analysis to
6 be adopted in whole or in part by applicants for development permits
7 within the geographic area analyzed in the plan;

8 (c) Demonstrate that procedures for review of development permit
9 applications will be based on the integrated plans and environmental
10 analysis;

11 (d) Include mechanisms to monitor the consequences of growth as
12 it occurs in the plan area and to use the resulting data to update
13 the plan, policy, or implementing mechanisms and associated
14 environmental analysis;

15 (e) Demonstrate substantial progress towards compliance with the
16 requirements of this chapter. A county or city that is more than six
17 months out of compliance with a requirement of this chapter is deemed
18 not to be making substantial progress towards compliance; and

19 (f) Provide local funding, which may include financial
20 participation by the private sector.

21 (4) In awarding grants or loans, the department shall give
22 preference to proposals that include one or more of the following
23 elements:

24 (a) Financial participation by the private sector, or a public/
25 private partnering approach;

26 (b) Identification and monitoring of system capacities for
27 elements of the built environment, and to the extent appropriate, of
28 the natural environment;

29 (c) Coordination with state, federal, and tribal governments in
30 project review;

31 (d) Furtherance of important state objectives related to economic
32 development, protection of areas of statewide significance, and
33 siting of essential public facilities;

34 (e) Programs to improve the efficiency and effectiveness of the
35 permitting process by greater reliance on integrated plans and
36 prospective environmental analysis;

37 (f) Programs for effective citizen and neighborhood involvement
38 that contribute to greater likelihood that planning decisions can be
39 implemented with community support;

1 (g) Programs to identify environmental impacts and establish
2 mitigation measures that provide effective means to satisfy
3 concurrency requirements and establish project consistency with the
4 plans; or

5 (h) Environmental review that addresses the impacts of increased
6 density or intensity of comprehensive plans, subarea plans, or
7 receiving areas designated by a city or town under the regional
8 transfer of development rights program in chapter 43.362 RCW.

9 (5) If the local funding includes funding provided by other state
10 functional planning programs, including open space planning and
11 watershed or basin planning, the functional plan shall be integrated
12 into and be consistent with the comprehensive plan.

13 (6) State agencies shall work with grant or loan recipients to
14 facilitate state and local project review processes that will
15 implement the projects receiving grants or loans under this section.

16 (7)(a) Appropriations to the growth management planning and
17 environmental review fund established in RCW 36.70A.490 for the
18 purpose of grants to cities to facilitate transit-oriented
19 development may be used to pay for the costs associated with the
20 preparation of state environmental policy act environmental impact
21 statements, planned action ordinances, subarea plans, costs
22 associated with the utilization of other tools under the state
23 environmental policy act, and the costs of local code adoption and
24 implementation of such efforts.

25 (b) Grant awards may only fund efforts that address environmental
26 impacts and consequences, alternatives, and mitigation measures in
27 sufficient detail to allow the analysis to be adopted in whole or in
28 part by applicants for development permits within the geographic area
29 analyzed in the plan.

30 (8) The department shall prioritize applications for grants to
31 facilitate transit-oriented development that maximize the following
32 policy objectives in the area covered by a proposal:

33 (a) The total number of housing units authorized for new
34 development;

35 (b) The proximity and quality of transit access in the area;

36 (c) Plans that authorize up to six stories of building height;

37 (d) Plans that authorize ground floor retail with housing above;

38 (e) Plans in areas that minimize or eliminate on-site parking
39 requirements;

1 (f) Existence or establishment of incentive zoning, mandatory
2 affordability, or other tools to promote low-income housing in the
3 area;

4 (g) Plans that include dedicated policies to support public or
5 nonprofit funded low-income or workforce housing; and

6 (h) Plans designed to maximize and increase the variety of
7 allowable housing types and expected sale or rental rates.

8 (9) For purposes of this section, "transit access" includes
9 walkable access to:

10 (a) Light rail and other fixed guideway rail systems;

11 (b) Bus rapid transit;

12 (c) High frequency bus service; or

13 (d) Park and ride lots.

14 **Sec. 2.** RCW 36.70A.600 and 2020 c 173 s 1 are each amended to
15 read as follows:

16 (1) A city planning pursuant to RCW 36.70A.040 is encouraged to
17 take the following actions in order to increase its residential
18 building capacity:

19 (a) Authorize development in one or more areas of not fewer than
20 five hundred acres that include at least one train station served by
21 commuter rail or light rail with an average of at least fifty
22 residential units per acre that require no more than an average of
23 one on-site parking space per two bedrooms in the portions of
24 multifamily zones that are located within the areas;

25 (b) Authorize development in one or more areas of not fewer than
26 two hundred acres in cities with a population greater than forty
27 thousand or not fewer than one hundred acres in cities with a
28 population less than forty thousand that include at least one bus
29 stop served by scheduled bus service of at least four times per hour
30 for twelve or more hours per day with an average of at least twenty-
31 five residential units per acre that require no more than an average
32 of one on-site parking space per two bedrooms in portions of the
33 multifamily zones that are located within the areas;

34 (c) Authorize at least one duplex, triplex, quadplex, sixplex,
35 stacked flat, townhouse, or courtyard apartment on each parcel in one
36 or more zoning districts that permit single-family residences unless
37 a city documents a specific infrastructure of physical constraint
38 that would make this requirement unfeasible for a particular parcel;

1 (d) Authorize a duplex, triplex, quadplex, sixplex, stacked flat,
2 townhouse, or courtyard apartment on one or more parcels for which
3 they are not currently authorized;

4 (e) Authorize cluster zoning or lot size averaging in all zoning
5 districts that permit single-family residences;

6 (f) Adopt a subarea plan pursuant to RCW 43.21C.420;

7 (g) Adopt a planned action pursuant to RCW 43.21C.440(1)(b)(ii),
8 except that an environmental impact statement pursuant to RCW
9 43.21C.030 is not required for such an action;

10 (h) Adopt increases in categorical exemptions pursuant to RCW
11 43.21C.229 for residential or mixed-use development;

12 (i) Adopt a form-based code in one or more zoning districts that
13 permit residential uses. "Form-based code" means a land development
14 regulation that uses physical form, rather than separation of use, as
15 the organizing principle for the code;

16 (j) Authorize a duplex on each corner lot within all zoning
17 districts that permit single-family residences;

18 (k) Allow for the division or redivision of land into the maximum
19 number of lots through the short subdivision process provided in
20 chapter 58.17 RCW;

21 (l) Authorize a minimum net density of six dwelling units per
22 acre in all residential zones, where the residential development
23 capacity will increase within the city. For purposes of this
24 subsection, the calculation of net density does not include the
25 square footage of areas that are otherwise prohibited from
26 development, such as critical areas, the area of buffers around
27 critical areas, and the area of roads and similar features;

28 (m) Create one or more zoning districts of medium density in
29 which individual lots may be no larger than three thousand five
30 hundred square feet and single-family residences may be no larger
31 than one thousand two hundred square feet;

32 (n) Authorize accessory dwelling units in one or more zoning
33 districts in which they are currently prohibited;

34 (o) Remove minimum residential parking requirements related to
35 accessory dwelling units;

36 (p) Remove owner occupancy requirements related to accessory
37 dwelling units;

38 (q) Adopt new square footage requirements related to accessory
39 dwelling units that are less restrictive than existing square footage
40 requirements related to accessory dwelling units;

1 (r) Adopt maximum allowable exemption levels in WAC 197-11-800(1)
2 as it existed on June 11, 2020, or such subsequent date as may be
3 provided by the department of ecology by rule, consistent with the
4 purposes of this section;

5 (s) Adopt standards for administrative approval of final plats
6 pursuant to RCW 58.17.100;

7 (t) Adopt ordinances authorizing administrative review of
8 preliminary plats pursuant to RCW 58.17.095;

9 (u) Adopt other permit process improvements where it is
10 demonstrated that the code, development regulation, or ordinance
11 changes will result in a more efficient permit process for customers;

12 (v) Update use matrices and allowable use tables that eliminate
13 conditional use permits and administrative conditional use permits
14 for all housing types, including single-family homes, townhomes,
15 multifamily housing, low-income housing, and senior housing, but
16 excluding essential public facilities;

17 (w) Allow off-street parking to compensate for lack of on-street
18 parking when private roads are utilized or a parking demand study
19 shows that less parking is required for the project;

20 (x) Develop a local program that offers homeowners a combination
21 of financing, design, permitting, or construction support to build
22 accessory dwelling units. A city may condition this program on a
23 requirement to provide the unit for affordable home ownership or rent
24 the accessory dwelling unit for a defined period of time to either
25 tenants in a housing subsidy program as defined in RCW 43.31.605(14)
26 or to tenants whose income is less than eighty percent of the city or
27 county median family income. If the city includes an affordability
28 requirement under the program, it must provide additional incentives,
29 such as:

30 (i) Density bonuses;

31 (ii) Height and bulk bonuses;

32 (iii) Fee waivers or exemptions;

33 (iv) Parking reductions; or

34 (v) Expedited permitting; and

35 (y) Develop a local program that offers homeowners a combination
36 of financing, design, permitting, or construction support to convert
37 a single-family home into a duplex, triplex, or quadplex where those
38 housing types are authorized. A local government may condition this
39 program on a requirement to provide a certain number of units for
40 affordable home ownership or to rent a certain number of the newly

1 created units for a defined period of time to either tenants in a
2 housing subsidy program as defined in RCW 43.31.605(14) or to tenants
3 whose income is less than eighty percent of the city or county median
4 family income. If the city includes an affordability requirement, it
5 must provide additional incentives, such as:

- 6 (i) Density bonuses;
- 7 (ii) Height and bulk bonuses;
- 8 (iii) Fee waivers or exemptions;
- 9 (iv) Parking reductions; or
- 10 (v) Expedited permitting.

11 (2) A city planning pursuant to RCW 36.70A.040 may adopt a
12 housing action plan as described in this subsection. The goal of any
13 such housing plan must be to encourage construction of additional
14 affordable and market rate housing in a greater variety of housing
15 types and at prices that are accessible to a greater variety of
16 incomes, including strategies aimed at the for-profit single-family
17 home market. A housing action plan may utilize data compiled pursuant
18 to RCW 36.70A.610. The housing action plan should:

19 (a) Quantify existing and projected housing needs for all income
20 levels, including extremely low-income households, with documentation
21 of housing and household characteristics, and cost-burdened
22 households;

23 (b) Develop strategies to increase the supply of housing, and
24 variety of housing types, needed to serve the housing needs
25 identified in (a) of this subsection;

26 (c) Analyze population and employment trends, with documentation
27 of projections;

28 (d) Consider strategies to minimize displacement of low-income
29 residents resulting from redevelopment;

30 (e) Review and evaluate the current housing element adopted
31 pursuant to RCW 36.70A.070, including an evaluation of success in
32 attaining planned housing types and units, achievement of goals and
33 policies, and implementation of the schedule of programs and actions;

34 (f) Provide for participation and input from community members,
35 community groups, local builders, local realtors, nonprofit housing
36 advocates, and local religious groups; and

37 (g) Include a schedule of programs and actions to implement the
38 recommendations of the housing action plan.

39 (3) If adopted by April 1, 2023, ordinances, amendments to
40 development regulations, and other nonproject actions taken by a city

1 to implement the actions specified in subsection (1) of this section,
2 with the exception of the action specified in subsection (1)(f) of
3 this section, are not subject to administrative or judicial appeal
4 under chapter 43.21C RCW.

5 (4) Any action taken by a city prior to April 1, 2023, to amend
6 their comprehensive plan, or adopt or amend ordinances or development
7 regulations, solely to enact provisions under subsection (1) of this
8 section is not subject to legal challenge under this chapter.

9 (5) In taking action under subsection (1) of this section, cities
10 are encouraged to utilize strategies that increase residential
11 building capacity in areas with frequent transit service and with the
12 transportation and utility infrastructure that supports the
13 additional residential building capacity.

14 (6) A city that is planning to take at least two actions under
15 subsection (1) of this section, and that action will occur between
16 July 28, 2019, and April 1, (~~2021~~) 2025, is eligible to apply to
17 the department for planning grant assistance of up to one hundred
18 thousand dollars, subject to the availability of funds appropriated
19 for that purpose. The department shall develop grant criteria to
20 ensure that grant funds awarded are proportionate to the level of
21 effort proposed by a city, and the potential increase in housing
22 supply or regulatory streamlining that could be achieved. Funding may
23 be provided in advance of, and to support, adoption of policies or
24 ordinances consistent with this section. A city can request, and the
25 department may award, more than one hundred thousand dollars for
26 applications that demonstrate extraordinary potential to increase
27 housing supply or regulatory streamlining.

28 (7) A city seeking to develop a housing action plan under
29 subsection (2) of this section is eligible to apply to the department
30 for up to one hundred thousand dollars.

31 (8) The department shall establish grant award amounts under
32 subsections (6) and (7) of this section based on the expected number
33 of cities that will seek grant assistance, to ensure that all cities
34 can receive some level of grant support. If funding capacity allows,
35 the department may consider accepting and funding applications from
36 cities with a population of less than twenty thousand if the actions
37 proposed in the application will create a significant amount of
38 housing capacity or regulatory streamlining and are consistent with
39 the actions in this section.

1 (9) In implementing chapter 348, Laws of 2019, cities are
2 encouraged to prioritize the creation of affordable, inclusive
3 neighborhoods and to consider the risk of residential displacement,
4 particularly in neighborhoods with communities at high risk of
5 displacement."

6 Correct the title.

EFFECT: (1) Authorizes the use of appropriations to the Growth Management Planning and Environmental Review Fund to fund grants to cities to pay for certain planning-related costs related to transit-oriented development, including subarea plans and environmental impact statements.

(2) Requires the Department of Commerce to prioritize applications for grants to facilitate transit-oriented development to maximize certain specified objectives in the area covered by the grant proposal.

(3) Changes the date, from April 1, 2021, to April 1, 2025, by which cities must take certain actions related to increasing housing supply in order to be eligible to apply to the Department of Commerce for planning grants from the Growth Management Planning and Environmental Review Fund.

--- END ---