

ESSB 5466 - H COMM AMD
By Committee on Housing

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

3 "NEW SECTION. **Sec. 1.** The legislature finds that the state has
4 made groundbreaking investments in state-of-the-art mass transit and
5 intermodal infrastructure. The legislature finds that to maximize the
6 state's return on these investments, land use policies and practices
7 must keep pace with progress being implemented in transportation
8 infrastructure development. The legislature also intends new
9 development to reflect the state's commitment to vibrant, walkable,
10 accessible urban environments that improve health, expand multimodal
11 transportation options, and include varied community facilities,
12 parks, and green spaces that are open to people of all income levels.
13 The legislature recognizes that cities planning under chapter
14 36.70A RCW require direction and technical assistance to ensure the
15 benefits of state transportation investments are maximized and shared
16 equitably while avoiding unnecessary programmatic and cost burdens to
17 local governments in their comprehensive planning, code enactment,
18 and permit processing workloads. The legislature further recognizes
19 that regulatory flexibility and local control are also important
20 features of optimal planning outcomes.

21 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.01
22 RCW to read as follows:

23 (1) The department must create a new division within its agency
24 or expand an existing division within its agency to mediate or help
25 resolve disputes between the department, local governments, and
26 project proponents regarding land use decisions and processing
27 development permit applications.

28 (2) The department must adopt any rules necessary to implement
29 this section.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.330
2 RCW to read as follows:

3 (1) The department, in consultation with the department of
4 transportation, must establish and administer a competitive grant
5 program to assist in the financing of housing projects within station
6 areas.

7 (2) Entities eligible to receive grant awards are state agencies,
8 local governments, and nonprofit or for-profit housing developers.
9 Eligible uses of grant awards include project capital costs and
10 infrastructure costs and addressing gaps in project financing that
11 would prevent ongoing or complete project construction.

12 (3) Eligible housing projects must meet the following
13 requirements:

14 (a) Be within a station area;

15 (b) Comply with the applicable transit-oriented density;

16 (c) Produce at least 100 units of housing; and

17 (d) Include a covenant on the property requiring 100 percent of
18 units remain affordable for households with incomes at or below 60
19 percent of area median income for at least 50 years.

20 (4) The department must prioritize eligible projects by occupancy
21 date, with a target occupancy date of December 31, 2025. The
22 department must also consider the following criteria when
23 prioritizing projects:

24 (a) Have a high concentration of units affordable to households
25 with incomes at or below 50 percent area median income;

26 (b) Do not include costs related to land acquisition;

27 (c) Include land acquired at a reduced price or without cost;

28 (d) Abide by antidisplacement measures, if appropriate;

29 (e) Submitted by community-based housing developers; or

30 (f) Include units with additional bedrooms or intended for
31 occupancy by families with multiple dependents.

32 (5) The department may adopt any necessary rules to implement the
33 competitive grant program under this section, including any
34 additional project eligibility criteria and prioritization criteria.

35 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.330
36 RCW to read as follows:

37 (1) The transit-oriented development housing partnership account
38 is created in the custody of the state treasurer.

1 (2) Revenues to the account must consist of appropriations by the
2 legislature and any gifts, grants, donations, or other private
3 contribution received by the director for the purposes set forth in
4 subsection (3) of this section.

5 (3) Expenditures from the account may be used only for
6 administration of the competitive grant program under section 3 of
7 this act, including any technical assistance provided by the
8 department to eligible entities.

9 (4) Only the director or the director's designee may authorize
10 expenditures from the account. The account is subject to allotment
11 procedures under chapter 43.88 RCW, but an appropriation is not
12 required for expenditures.

13 **Sec. 5.** RCW 36.70A.030 and 2021 c 254 s 6 are each amended to
14 read as follows:

15 Unless the context clearly requires otherwise, the definitions in
16 this section apply throughout this chapter.

17 (1) "Adopt a comprehensive land use plan" means to enact a new
18 comprehensive land use plan or to update an existing comprehensive
19 land use plan.

20 (2) "Affordable housing" means, unless the context clearly
21 indicates otherwise, residential housing whose monthly costs,
22 including utilities other than telephone, do not exceed thirty
23 percent of the monthly income of a household whose income is:

24 (a) For rental housing, (~~sixty~~) 60 percent of the median
25 household income adjusted for household size, for the county where
26 the household is located, as reported by the United States department
27 of housing and urban development; or

28 (b) For owner-occupied housing, (~~eighty~~) 80 percent of the
29 median household income adjusted for household size, for the county
30 where the household is located, as reported by the United States
31 department of housing and urban development.

32 (3) "Agricultural land" means land primarily devoted to the
33 commercial production of horticultural, viticultural, floricultural,
34 dairy, apiary, vegetable, or animal products or of berries, grain,
35 hay, straw, turf, seed, Christmas trees not subject to the excise tax
36 imposed by RCW 84.33.100 through 84.33.140, finfish in upland
37 hatcheries, or livestock, and that has long-term commercial
38 significance for agricultural production.

39 (4) "City" means any city or town, including a code city.

1 (5) "Comprehensive land use plan," "comprehensive plan," or
2 "plan" means a generalized coordinated land use policy statement of
3 the governing body of a county or city that is adopted pursuant to
4 this chapter.

5 (6) "Critical areas" include the following areas and ecosystems:
6 (a) Wetlands; (b) areas with a critical recharging effect on aquifers
7 used for potable water; (c) fish and wildlife habitat conservation
8 areas; (d) frequently flooded areas; and (e) geologically hazardous
9 areas. "Fish and wildlife habitat conservation areas" does not
10 include such artificial features or constructs as irrigation delivery
11 systems, irrigation infrastructure, irrigation canals, or drainage
12 ditches that lie within the boundaries of and are maintained by a
13 port district or an irrigation district or company.

14 (7) "Department" means the department of commerce.

15 (8) "Development regulations" or "regulation" means the controls
16 placed on development or land use activities by a county or city,
17 including, but not limited to, zoning ordinances, critical areas
18 ordinances, shoreline master programs, official controls, planned
19 unit development ordinances, subdivision ordinances, and binding site
20 plan ordinances together with any amendments thereto. A development
21 regulation does not include a decision to approve a project permit
22 application, as defined in RCW 36.70B.020, even though the decision
23 may be expressed in a resolution or ordinance of the legislative body
24 of the county or city.

25 (9) "Emergency housing" means temporary indoor accommodations for
26 individuals or families who are homeless or at imminent risk of
27 becoming homeless that is intended to address the basic health, food,
28 clothing, and personal hygiene needs of individuals or families.
29 Emergency housing may or may not require occupants to enter into a
30 lease or an occupancy agreement.

31 (10) "Emergency shelter" means a facility that provides a
32 temporary shelter for individuals or families who are currently
33 homeless. Emergency shelter may not require occupants to enter into a
34 lease or an occupancy agreement. Emergency shelter facilities may
35 include day and warming centers that do not provide overnight
36 accommodations.

37 (11) "Extremely low-income household" means a single person,
38 family, or unrelated persons living together whose adjusted income is
39 at or below (~~thirty~~) 30 percent of the median household income
40 adjusted for household size, for the county where the household is

1 located, as reported by the United States department of housing and
2 urban development.

3 (12) "Floor area ratio" means a measure of development intensity
4 equal to building square footage divided by the developable property
5 square footage.

6 (13) "Forestland" means land primarily devoted to growing trees
7 for long-term commercial timber production on land that can be
8 economically and practically managed for such production, including
9 Christmas trees subject to the excise tax imposed under RCW 84.33.100
10 through 84.33.140, and that has long-term commercial significance. In
11 determining whether forestland is primarily devoted to growing trees
12 for long-term commercial timber production on land that can be
13 economically and practically managed for such production, the
14 following factors shall be considered: (a) The proximity of the land
15 to urban, suburban, and rural settlements; (b) surrounding parcel
16 size and the compatibility and intensity of adjacent and nearby land
17 uses; (c) long-term local economic conditions that affect the ability
18 to manage for timber production; and (d) the availability of public
19 facilities and services conducive to conversion of forestland to
20 other uses.

21 (~~(13)~~) (14) "Freight rail dependent uses" means buildings and
22 other infrastructure that are used in the fabrication, processing,
23 storage, and transport of goods where the use is dependent on and
24 makes use of an adjacent short line railroad. Such facilities are
25 both urban and rural development for purposes of this chapter.
26 "Freight rail dependent uses" does not include buildings and other
27 infrastructure that are used in the fabrication, processing, storage,
28 and transport of coal, liquefied natural gas, or "crude oil" as
29 defined in RCW 90.56.010.

30 (~~(14)~~) (15) "Frequent bus stop" means a fixed route transit
31 stop providing frequent transit service, in which at least one bus
32 route servicing the stop operates seven days per week with a minimum
33 of four buses per hour for a span of at least 10 hours per day during
34 weekdays.

35 (16) "Geologically hazardous areas" means areas that because of
36 their susceptibility to erosion, sliding, earthquake, or other
37 geological events, are not suited to the siting of commercial,
38 residential, or industrial development consistent with public health
39 or safety concerns.

1 (~~(15)~~) (17) "Long-term commercial significance" includes the
2 growing capacity, productivity, and soil composition of the land for
3 long-term commercial production, in consideration with the land's
4 proximity to population areas, and the possibility of more intense
5 uses of the land.

6 (~~(16)~~) (18) "Low-income household" means a single person,
7 family, or unrelated persons living together whose adjusted income is
8 at or below (~~(eighty)~~) 80 percent of the median household income
9 adjusted for household size, for the county where the household is
10 located, as reported by the United States department of housing and
11 urban development.

12 (~~(17)~~) (19) "Minerals" include gravel, sand, and valuable
13 metallic substances.

14 (~~(18)~~) (20) "Moderate-income household" means a single person,
15 family, or unrelated persons living together whose adjusted income is
16 at or below 120 percent of the median household income adjusted for
17 household size, for the county where the household is located, as
18 reported by the United States department of housing and urban
19 development.

20 (~~(19)~~) (21) "Permanent supportive housing" is subsidized,
21 leased housing with no limit on length of stay that prioritizes
22 people who need comprehensive support services to retain tenancy and
23 utilizes admissions practices designed to use lower barriers to entry
24 than would be typical for other subsidized or unsubsidized rental
25 housing, especially related to rental history, criminal history, and
26 personal behaviors. Permanent supportive housing is paired with on-
27 site or off-site voluntary services designed to support a person
28 living with a complex and disabling behavioral health or physical
29 health condition who was experiencing homelessness or was at imminent
30 risk of homelessness prior to moving into housing to retain their
31 housing and be a successful tenant in a housing arrangement, improve
32 the resident's health status, and connect the resident of the housing
33 with community-based health care, treatment, or employment services.
34 Permanent supportive housing is subject to all of the rights and
35 responsibilities defined in chapter 59.18 RCW.

36 (~~(20)~~) (22) "Public facilities" include streets, roads,
37 highways, sidewalks, street and road lighting systems, traffic
38 signals, domestic water systems, storm and sanitary sewer systems,
39 parks and recreational facilities, and schools.

1 (~~(21)~~) (23) "Public services" include fire protection and
2 suppression, law enforcement, public health, education, recreation,
3 environmental protection, and other governmental services.

4 (~~(22)~~) (24) "Recreational land" means land so designated under
5 RCW 36.70A.1701 and that, immediately prior to this designation, was
6 designated as agricultural land of long-term commercial significance
7 under RCW 36.70A.170. Recreational land must have playing fields and
8 supporting facilities existing before July 1, 2004, for sports played
9 on grass playing fields.

10 (~~(23)~~) (25) "Rural character" refers to the patterns of land
11 use and development established by a county in the rural element of
12 its comprehensive plan:

13 (a) In which open space, the natural landscape, and vegetation
14 predominate over the built environment;

15 (b) That foster traditional rural lifestyles, rural-based
16 economies, and opportunities to both live and work in rural areas;

17 (c) That provide visual landscapes that are traditionally found
18 in rural areas and communities;

19 (d) That are compatible with the use of the land by wildlife and
20 for fish and wildlife habitat;

21 (e) That reduce the inappropriate conversion of undeveloped land
22 into sprawling, low-density development;

23 (f) That generally do not require the extension of urban
24 governmental services; and

25 (g) That are consistent with the protection of natural surface
26 water flows and groundwater and surface water recharge and discharge
27 areas.

28 (~~(24)~~) (26) "Rural development" refers to development outside
29 the urban growth area and outside agricultural, forest, and mineral
30 resource lands designated pursuant to RCW 36.70A.170. Rural
31 development can consist of a variety of uses and residential
32 densities, including clustered residential development, at levels
33 that are consistent with the preservation of rural character and the
34 requirements of the rural element. Rural development does not refer
35 to agriculture or forestry activities that may be conducted in rural
36 areas.

37 (~~(25)~~) (27) "Rural governmental services" or "rural services"
38 include those public services and public facilities historically and
39 typically delivered at an intensity usually found in rural areas, and
40 may include domestic water systems, fire and police protection

1 services, transportation and public transit services, and other
2 public utilities associated with rural development and normally not
3 associated with urban areas. Rural services do not include storm or
4 sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).

5 ~~((26))~~ (28) "Short line railroad" means those railroad lines
6 designated class II or class III by the United States surface
7 transportation board.

8 ~~((27))~~ (29) (a) "Station area" means all parcels that are:

9 (i) Fully within an urban growth area; and

10 (ii) Fully or partially within:

11 (A) One-half mile walking distance of a stop on a high capacity
12 transportation system funded or expanded under chapter 81.104 RCW, a
13 commuter rail stop, or a stop on rail or fixed guideway systems,
14 including transitways;

15 (B) One-quarter mile walking distance of a stop on a bus rapid
16 transit route; and

17 (C) One-eighth mile walking distance of a frequent bus stop.

18 (b) For the purposes of this subsection, a "stop" includes any
19 existing stop and any stop funded for development within the timeline
20 of a city's current comprehensive plan.

21 (c) A city planning under RCW 36.70A.040 may adopt a station area
22 variance to alter the station area designation, but only after
23 consultation with and approval by the department.

24 (30) "Transit-oriented density" means a floor area ratio of:

25 (a) At least 3.0 for all uses that are permitted within one-half
26 mile walking distance of a stop on a high capacity transportation
27 system funded or expanded under chapter 81.104 RCW, a commuter rail
28 stop, or a stop on rail or fixed guideway systems, including
29 transitways;

30 (b) At least 2.5 for all uses permitted within one-quarter mile
31 walking distance of a stop on a bus rapid transit route; and

32 (c) At least 2.0 for all uses permitted within one-eighth mile
33 walking distance of a frequent bus stop.

34 (31) "Urban governmental services" or "urban services" include
35 those public services and public facilities at an intensity
36 historically and typically provided in cities, specifically including
37 storm and sanitary sewer systems, domestic water systems, street
38 cleaning services, fire and police protection services, public
39 transit services, and other public utilities associated with urban
40 areas and normally not associated with rural areas.

1 (~~(28)~~) (32) "Urban growth" refers to growth that makes
2 intensive use of land for the location of buildings, structures, and
3 impermeable surfaces to such a degree as to be incompatible with the
4 primary use of land for the production of food, other agricultural
5 products, or fiber, or the extraction of mineral resources, rural
6 uses, rural development, and natural resource lands designated
7 pursuant to RCW 36.70A.170. A pattern of more intensive rural
8 development, as provided in RCW 36.70A.070(5)(d), is not urban
9 growth. When allowed to spread over wide areas, urban growth
10 typically requires urban governmental services. "Characterized by
11 urban growth" refers to land having urban growth located on it, or to
12 land located in relationship to an area with urban growth on it as to
13 be appropriate for urban growth.

14 (~~(29)~~) (33) "Urban growth areas" means those areas designated
15 by a county pursuant to RCW 36.70A.110.

16 (~~(30)~~) (34) "Very low-income household" means a single person,
17 family, or unrelated persons living together whose adjusted income is
18 at or below (~~(fifty)~~) 50 percent of the median household income
19 adjusted for household size, for the county where the household is
20 located, as reported by the United States department of housing and
21 urban development.

22 (~~(31)~~) (35) "Wetland" or "wetlands" means areas that are
23 inundated or saturated by surface water or groundwater at a frequency
24 and duration sufficient to support, and that under normal
25 circumstances do support, a prevalence of vegetation typically
26 adapted for life in saturated soil conditions. Wetlands generally
27 include swamps, marshes, bogs, and similar areas. Wetlands do not
28 include those artificial wetlands intentionally created from
29 nonwetland sites, including, but not limited to, irrigation and
30 drainage ditches, grass-lined swales, canals, detention facilities,
31 wastewater treatment facilities, farm ponds, and landscape amenities,
32 or those wetlands created after July 1, 1990, that were
33 unintentionally created as a result of the construction of a road,
34 street, or highway. Wetlands may include those artificial wetlands
35 intentionally created from nonwetland areas created to mitigate
36 conversion of wetlands.

37 NEW SECTION. **Sec. 6.** A new section is added to chapter 36.70A
38 RCW to read as follows:

1 (1) Cities planning under RCW 36.70A.040 may not enact or enforce
2 any development regulation within a station area that would prohibit
3 the siting of multifamily residential housing on parcels where any
4 other residential use is permissible.

5 (2) Within any station area, any building in which all units are
6 affordable housing for households with incomes at or below 60 percent
7 area median income for at least 50 years or for permanent supportive
8 housing, an additional 1.5 floor area ratio must be permitted. Any
9 floor area within a station area that is reserved for residential
10 units in multifamily housing that includes at least three bedrooms
11 must not be counted toward applicable floor area ratio limits. If a
12 city has enacted or expands a program under RCW 36.70A.540 in an area
13 where development regulations must comply with this section, that
14 program governs to the extent it varies from the requirements of this
15 subsection.

16 (3) (a) Except as provided in (c) of this subsection, cities
17 planning under RCW 36.70A.040 may not enact any new development
18 regulation that imposes a maximum floor area ratio of less than the
19 applicable transit-oriented density for any use otherwise permitted
20 within a station area.

21 (b) Cities planning under RCW 36.70A.040 may not enact any new
22 development regulation that imposes a maximum residential density,
23 measured in residential units per acre or other metric of land area
24 within a station area.

25 (c) As an alternative to (a) of this subsection, cities planning
26 under RCW 36.70A.040 may by ordinance designate parts of a station
27 area in which to enact or enforce floor area ratios that are more or
28 less than the applicable transit-oriented density, if:

29 (i) The average maximum floor area ratio of all buildable land
30 within a station area is no less than the applicable transit-oriented
31 density. For purposes of this subsection, "buildable land" excludes
32 lots within critical areas or their buffers as designated in RCW
33 36.70A.170, as well as public facilities including streets, roads,
34 highways, sidewalks, street and road lighting systems, traffic
35 signals, lands occupied by or easements for domestic water systems
36 and storm and sanitary sewer systems, parks and recreational
37 facilities, and schools; and

38 (ii) No part of a station area is subject to a maximum floor area
39 ratio that is less than 0.5.

1 (4) Except in zones authorized by June 30, 2023, for a
2 development capacity greater than or equal to the applicable transit-
3 oriented density, at least 20 percent of all residential units
4 constructed within a station area must be affordable to households
5 with an income at or below 60 percent of area median income for at
6 least 50 years.

7 (5) Any city planning under RCW 36.70A.040 that has, as of the
8 effective date of this section, enacted any development regulation
9 that imposes within any station area (a) a maximum floor area ratio
10 of less than the applicable transit-oriented density or (b) a maximum
11 residential density measured in residential units per acre or other
12 metric of land area, the city must enforce and apply such development
13 regulation consistent with the requirements of this section.

14 (6)(a) Except as provided in (b) of this subsection, cities
15 planning under RCW 36.70A.040 may not enforce upon any parcel in a
16 station area any development standard that renders it impracticable
17 on that parcel to build a usable structure for the permitted uses at
18 the (i) applicable transit-oriented density or (ii) applicable floor
19 area ratio imposed under subsection (3)(c) of this section.

20 (b) This subsection (6) does not apply to development standards
21 contained in a shoreline master program or critical area ordinance,
22 or to any parcel that:

23 (i) Is nonconforming, legally or otherwise, with applicable local
24 subdivision standards including, but not limited to, standards
25 related to lot width, area, geometry, or street access; or

26 (ii) Is a designated landmark or within a historic district
27 established under a local preservation ordinance.

28 (7) Any city subject to the requirements of this section may
29 apply to the department for planning grants and consult with the
30 department for purposes of obtaining technical assistance and
31 compliance review with development regulation adoption, pursuant to
32 RCW 36.70A.500(7).

33 (8) Nothing in this section requires alteration, displacement, or
34 limitation of industrial uses or industrial areas within the urban
35 growth area.

36 (9)(a) This section does not limit the amount of affordable
37 housing that a city may require to be provided, either on-site or
38 through an in-lieu payment, pursuant to a program enacted or expanded
39 under RCW 36.70A.540.

1 (10) A city planning under RCW 36.70A.040 must comply with the
2 requirements of this section, and collaborate with federally
3 recognized tribes in accordance with RCW 36.70A.040(8) regarding such
4 requirements, six months after its next periodic comprehensive plan
5 update required under RCW 36.70A.130, and following the completion or
6 funding of any transit stop that would create a new station area
7 within the jurisdiction, at each implementation progress report
8 required by RCW 36.70A.130(9).

9 NEW SECTION. **Sec. 7.** A new section is added to chapter 36.70A
10 RCW to read as follows:

11 (1)(a) The department may approve actions under this section for
12 cities that have, by January 1, 2023, adopted a subarea plan and
13 implementing development regulations that are substantially similar
14 to the requirements of section 6 of this act. In determining whether
15 a city's adopted subarea plan and development regulations are
16 substantially similar, the department's evaluation may include, but
17 not be limited to, if:

18 (i) The regulations will result in an amount of affordable
19 housing that is at least equivalent to the amount of affordable
20 housing that would result if the specific provisions of section 6 of
21 this act were adopted;

22 (ii) The jurisdiction offers a way to exceed maximum heights to
23 achieve buildings that exceed 100 feet; and

24 (iii) New detached single-family residences are prohibited on
25 average within one-quarter mile of light rail stations.

26 (b) The department must establish by rule any standards or
27 procedures necessary to implement this subsection.

28 (2) Any local actions approved by the department pursuant to
29 subsection (1) of this section are exempt from appeals under this
30 chapter and chapter 43.21C RCW.

31 (3) The department's final decision to approve or reject actions
32 by cities under this section may be appealed to the growth management
33 hearings board by filing a petition as provided in RCW 36.70A.290.

34 (4) In reviewing any petition filed pursuant to subsection (3) of
35 this section, the growth management hearings board shall grant
36 substantial deference to the department as an agency with expertise.

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

1 (1) By October 1, 2023, the department must develop, or contract
2 for the development of, a statewide displacement risk map that
3 identifies areas where residents and businesses are at a greater risk
4 of displacement. In completing the risk map, the department may build
5 on existing models for displacement risk assessment that are
6 currently in use for the state.

7 (2) Any city may apply to the department for, and the department
8 may certify, an extension from the requirements in section 6 of this
9 act for areas at risk of displacement as determined by the
10 antidisplacement analysis that a jurisdiction is required to complete
11 under RCW 36.70A.070(2) or by the department or a regional planning
12 authority. The extension may be granted until the city and the
13 department agree on an implementation plan for specific
14 antidisplacement policies. In addition to antidisplacement policies,
15 the city may implement alternative floor area ratio requirements in
16 areas deemed at greater risk of displacement under an
17 antidisplacement analysis.

18 **Sec. 9.** RCW 36.70A.500 and 2012 1st sp.s. c 1 s 310 are each
19 amended to read as follows:

20 (1) The department of commerce shall provide management services
21 for the growth management planning and environmental review fund
22 created by RCW 36.70A.490. The department shall establish procedures
23 for fund management. The department shall encourage participation in
24 the grant or loan program by other public agencies. The department
25 shall develop the grant or loan criteria, monitor the grant or loan
26 program, and select grant or loan recipients in consultation with
27 state agencies participating in the grant or loan program through the
28 provision of grant or loan funds or technical assistance.

29 (2) A grant or loan may be awarded to a county or city that is
30 required to or has chosen to plan under RCW 36.70A.040 and that is
31 qualified pursuant to this section. The grant or loan shall be
32 provided to assist a county or city in paying for the cost of
33 preparing an environmental analysis under chapter 43.21C RCW, that is
34 integrated with a comprehensive plan, subarea plan, plan element,
35 countywide planning policy, development regulation, monitoring
36 program, or other planning activity adopted under or implementing
37 this chapter that:

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

1 (b) Encourages use of plans and information developed for
2 purposes of complying with this chapter to satisfy requirements of
3 other state programs.

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

6 (a) Demonstrate that it will prepare an environmental analysis
7 pursuant to chapter 43.21C RCW and subsection (2) of this section
8 that is integrated with a comprehensive plan, subarea plan, plan
9 element, countywide planning policy, development regulations,
10 monitoring program, or other planning activity adopted under or
11 implementing this chapter;

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

16 (c) Demonstrate that procedures for review of development permit
17 applications will be based on the integrated plans and environmental
18 analysis;

19 (d) Include mechanisms to monitor the consequences of growth as
20 it occurs in the plan area and to use the resulting data to update
21 the plan, policy, or implementing mechanisms and associated
22 environmental analysis;

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

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

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

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

34 (b) Identification and monitoring of system capacities for
35 elements of the built environment, and to the extent appropriate, of
36 the natural environment;

37 (c) Coordination with state, federal, and tribal governments in
38 project review;

1 (d) Furtherance of important state objectives related to economic
2 development, protection of areas of statewide significance, and
3 siting of essential public facilities;

4 (e) Programs to improve the efficiency and effectiveness of the
5 permitting process by greater reliance on integrated plans and
6 prospective environmental analysis;

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

10 (g) Programs to identify environmental impacts and establish
11 mitigation measures that provide effective means to satisfy
12 concurrency requirements and establish project consistency with the
13 plans; or

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

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

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

25 (7)(a) Subject to the availability of amounts appropriated to the
26 growth management planning and environmental review fund established
27 in RCW 36.70A.490, the department may:

28 (i) Award grants to cities to facilitate transit-oriented
29 development consistent with subsection (8) of this section. Cities
30 may use such grants to pay for the costs associated with the
31 preparation of state environmental policy act environmental impact
32 statements, planned action ordinances, subarea plans, costs
33 associated with the utilization of other tools under this chapter or
34 the state environmental policy act, and the costs of local code
35 adoption and implementation of such efforts; and

36 (ii) Provide technical assistance and award planning grants to
37 cities to implement the requirements under section 6 of this act and
38 provide compliance review of any transit-oriented development
39 regulations adopted consistent with section 6 of this act.

1 (b) Grant awards under (a)(i) of this subsection may only fund
2 efforts that address environmental impacts and consequences,
3 alternatives, and mitigation measures in sufficient detail to allow
4 the analysis to be adopted in whole or in part by applicants for
5 development permits within the geographic area analyzed in the plan.

6 (8) In consultation with the department of transportation, the
7 department shall prioritize applications for grants under subsection
8 (7)(a)(i) of this section that maximize the following policy
9 objectives in the area covered by a proposal:

10 (a) The total number of housing units authorized for new
11 development in station areas;

12 (b) The proximity and quality of transit access in the area. For
13 purposes of this subsection, "transit access" includes walkable
14 access to light rail and other fixed guideway rail systems, bus rapid
15 transit, and high frequency bus service;

16 (c) Plans that exceed applicable transit-oriented densities for
17 station areas;

18 (d) Plans that authorize, but do not mandate, ground floor retail
19 with housing above;

20 (e) Plans in areas that eliminate on-site parking requirements;

21 (f) Existence or establishment of incentive zoning, inclusionary
22 housing, use of the multifamily tax exemption, or other tools to
23 promote low-income housing in the area;

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

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

28 **Sec. 10.** RCW 36.70A.620 and 2020 c 173 s 3 are each amended to
29 read as follows:

30 ~~((In counties and cities planning under RCW 36.70A.040, minimum~~
31 ~~residential parking requirements mandated by municipal zoning~~
32 ~~ordinances for housing units constructed after July 1, 2019, are~~
33 ~~subject to the following requirements:~~

34 ~~(1) For housing units that are affordable to very low-income or~~
35 ~~extremely low-income individuals and that are located within one-~~
36 ~~quarter mile of a transit stop that receives transit service at least~~
37 ~~two times per hour for twelve or more hours per day, minimum~~
38 ~~residential parking requirements may be no greater than one parking~~
39 ~~space per bedroom or .75 space per unit. A city may require a~~

1 developer to record a covenant that prohibits the rental of a unit
2 subject to this parking restriction for any purpose other than
3 providing for housing for very low-income or extremely low-income
4 individuals. The covenant must address price restrictions and
5 household income limits and policies if the property is converted to
6 a use other than for low-income housing. A city may establish a
7 requirement for the provision of more than one parking space per
8 bedroom or .75 space per unit if the jurisdiction has determined a
9 particular housing unit to be in an area with a lack of access to
10 street parking capacity, physical space impediments, or other reasons
11 supported by evidence that would make on-street parking infeasible
12 for the unit.

13 (2) For housing units that are specifically for seniors or people
14 with disabilities, that are located within one-quarter mile of a
15 transit stop that receives transit service at least four times per
16 hour for twelve or more hours per day, a city may not impose minimum
17 residential parking requirements for the residents of such housing
18 units, subject to the exceptions provided in this subsection. A city
19 may establish parking requirements for staff and visitors of such
20 housing units. A city may establish a requirement for the provision
21 of one or more parking space per bedroom if the jurisdiction has
22 determined a particular housing unit to be in an area with a lack of
23 access to street parking capacity, physical space impediments, or
24 other reasons supported by evidence that would make on-street parking
25 infeasible for the unit. A city may require a developer to record a
26 covenant that prohibits the rental of a unit subject to this parking
27 restriction for any purpose other than providing for housing for
28 seniors or people with disabilities.

29 (3) For market rate multifamily housing units that are located
30 within one-quarter mile of a transit stop that receives transit
31 service from at least one route that provides service at least four
32 times per hour for twelve or more hours per day, minimum residential
33 parking requirements may be no greater than one parking space per
34 bedroom or .75 space per unit. A city or county may establish a
35 requirement for the provision of more than one parking space per
36 bedroom or .75 space per unit if the jurisdiction has determined a
37 particular housing unit to be in an area with a lack of access to
38 street parking capacity, physical space impediments, or other reasons
39 supported by evidence that would make on-street parking infeasible
40 for the unit.)) (1) To encourage transit-oriented development and

1 transit use and resulting substantial environmental benefits, cities
2 planning under RCW 36.70A.040 may not require off-street parking as a
3 condition of permitting development within a station area, except for
4 off-street parking that is permanently marked for the exclusive use
5 of individuals with disabilities.

6 (2) If a project permit application within a station area, as
7 defined in RCW 36.70B.020, does not provide parking in compliance
8 with this section, the proposed absence of parking may not be treated
9 as a basis for issuance of a determination of significance pursuant
10 to chapter 43.21C RCW.

11 (3) The parking provisions of this section do not apply:

12 (a) If the city submits to the department an empirical study
13 prepared by a credentialed transportation or land use planning expert
14 that clearly demonstrates, and the department finds and certifies,
15 that the application of the parking limitations under subsection (1)
16 of this section in a defined area within a station area will be
17 significantly less safe for vehicle drivers or passengers,
18 pedestrians, or bicyclists than if the jurisdiction's parking
19 requirements were applied to the same location without increased
20 transit-oriented development and density requirements. The department
21 must develop guidance to assist cities and counties on items to
22 include in the study; or

23 (b) To portions of cities within a one-mile radius of a
24 commercial airport in Washington with at least 9,000,000 annual
25 enplanements.

26 **Sec. 11.** RCW 43.21C.229 and 2020 c 87 s 1 are each amended to
27 read as follows:

28 (1) ~~((In order))~~ The purpose of this section is to provide cities
29 and counties with additional flexibility to accommodate infill
30 development, as well as to facilitate the timely and certain
31 deployment of sustainable transit-oriented development, and thereby
32 realize the goals and policies of comprehensive plans adopted
33 according to chapter 36.70A RCW~~((7-a))~~.

34 (2) A city or county planning under RCW 36.70A.040 ~~((is~~
35 authorized by this section to)) may establish categorical exemptions
36 from the requirements of this chapter~~((An exemption adopted under~~
37 this section applies even if it differs from the categorical
38 exemptions adopted by rule of the department under RCW

1 ~~43.21C.110(1)(a)~~. ~~An exemption may be adopted by a city or county~~
2 ~~under this section~~) if it meets the following criteria:

3 (a) It categorically exempts government action related to
4 development proposed to fill in an urban growth area, designated
5 according to RCW 36.70A.110, where current density and intensity of
6 use in the area is roughly equal to or lower than called for in the
7 goals and policies of the applicable comprehensive plan and the
8 development is either:

9 (i) Residential development;

10 (ii) Mixed-use development; or

11 (iii) Commercial development up to (~~sixty-five thousand~~) 65,000
12 square feet, excluding retail development;

13 (b) It does not exempt government action related to development
14 that is inconsistent with the applicable comprehensive plan or would
15 clearly exceed the density or intensity of use called for in the
16 goals and policies of the applicable comprehensive plan;

17 (c) The local government considers the specific probable adverse
18 environmental impacts of the proposed action and determines that
19 these specific impacts are adequately addressed by the development
20 regulations or other applicable requirements of the comprehensive
21 plan, subarea plan element of the comprehensive plan, planned action
22 ordinance, or other local, state, or federal rules or laws; and

23 (d) (i) The city or county's applicable comprehensive plan was
24 previously subjected to environmental analysis through an
25 environmental impact statement under the requirements of this chapter
26 prior to adoption; or

27 (ii) The city or county has prepared an environmental impact
28 statement that considers the proposed use or density and intensity of
29 use in the area proposed for an exemption under this (~~section~~)
30 subsection.

31 (~~(2) Any~~) (3) Any project action that meets the following
32 criteria is categorically exempt from the requirements of this
33 chapter:

34 (a) It is related to a proposed development that would fill in a
35 station area as defined in RCW 36.70A.030;

36 (b) It is related to a proposed:

37 (i) Multifamily residential development;

38 (ii) Mixed-use development; or

39 (iii) Commercial development; and

1 (c) It is not inconsistent with the applicable comprehensive
2 plan, and does not clearly exceed the density or intensity of use
3 called for in the goals and policies of the applicable comprehensive
4 plan.

5 (4) Any categorical exemption under this section applies even if
6 it differs from the categorical exemptions adopted by rule of the
7 department of ecology under RCW 43.21C.110(1)(a). However, any
8 categorical exemption ((adopted by a city or county)) under this
9 section ((shall be)) is subject to the rules of the department
10 adopted according to RCW 43.21C.110(1)(a) that provide exceptions to
11 the use of categorical exemptions adopted by the department.

12 NEW SECTION. Sec. 12. A new section is added to chapter 64.38
13 RCW to read as follows:

14 Governing documents created after the effective date of this
15 section and applicable to associations located fully or partially
16 within a station area as defined in RCW 36.70A.030 may not prohibit
17 the construction or development of multifamily housing or transit-
18 oriented density that must be permitted by cities under section 6 of
19 this act or require off-street parking inconsistent or in conflict
20 with RCW 36.70A.620.

21 NEW SECTION. Sec. 13. A new section is added to chapter 64.90
22 RCW to read as follows:

23 Declarations and governing documents created after the effective
24 date of this section and applicable to a common interest community
25 located fully or partially within a station area as defined in RCW
26 36.70A.030 may not prohibit the construction or development of
27 multifamily housing or transit-oriented density that must be
28 permitted by cities under section 6 of this act or require off-street
29 parking inconsistent or in conflict with RCW 36.70A.620.

30 NEW SECTION. Sec. 14. A new section is added to chapter 64.34
31 RCW to read as follows:

32 A declaration created after the effective date of this section
33 and applicable to an association located fully or partially within a
34 station area as defined in RCW 36.70A.030 may not prohibit the
35 construction or development of multifamily housing or transit-
36 oriented density that must be permitted by cities under section 6 of

1 this act or require off-street parking inconsistent or in conflict
2 with RCW 36.70A.620.

3 NEW SECTION. **Sec. 15.** A new section is added to chapter 64.32
4 RCW to read as follows:

5 A declaration created after the effective date of this section
6 and applicable to an association of apartment owners located fully or
7 partially within a station area as defined in RCW 36.70A.030 may not
8 prohibit the construction or development of multifamily housing or
9 transit-oriented density that must be permitted by cities under
10 section 6 of this act or require off-street parking inconsistent or
11 in conflict with RCW 36.70A.620."

12 Correct the title.

EFFECT: (1) Transfers responsibilities for providing technical assistance, awarding grants, and providing compliance review of transit-oriented development regulations from the Washington State Department of Transportation (WSDOT) to the Department of Commerce (Commerce).

(2) Modifies the grant program for the financing of housing projects by: (a) Requiring it to fund projects within station areas instead of rapid transit corridors; and (b) limiting grants to properties with a covenant requiring all of the units to remain affordable for households with incomes at or below 60 percent of area median income for at least 50 years.

(3) Modifies the definition of "station area" to mean all parcels within an urban growth area (UGA) that are fully or partially within: (a) One-half mile walking distance of a stop on a high capacity transportation system funded or expanded under chapter 81.104 RCW, a commuter rail stop, or a stop on rail or fixed guideway systems, including transitways; (b) one-quarter mile walking distance of a stop on a bus rapid transit route; and (c) one-eighth mile walking distance of a frequent bus stop.

(4) Removes the definition of "station hub" and any requirements and provisions related to a station hub.

(5) Modifies the definition of "frequent bus stop" to mean a fixed route transit stop providing frequent transit service, in which at least one bus route servicing the stop operates seven days per week with a minimum of four buses per hour for a span of at least 10 hours per day during weekdays.

(6) Defines "a stop" as any existing stop or any stop funded within the timeline of a city's current comprehensive plan.

(7) Removes the definitions of "major transit station" and "major transit stop."

(8) Modifies the definition of "transit-oriented density" (TOD) to mean a floor area ratio (FAR) of: (a) At least 3.0 within one-half mile walking distance of a stop on a high capacity transportation system funded or expanded under chapter 81.104 RCW, a commuter rail stop, or a stop on rail or fixed guideway systems, including transitways; (b) at least 2.5 within one-quarter mile walking

distance of a stop on a bus rapid transit route; and (c) at least 2.0 within one-eighth mile walking distance of a frequent bus stop.

(9) Requires at least 20 percent of all residential units constructed within a station area to be affordable to households with an income at or below 60 percent of area median income for at least 50 years, except in zones where a development capacity greater than or equal to the applicable transit-oriented density is authorized by June 30, 2023.

(10) Modifies provisions for an increased density bonus by: (a) Removing the 50 percent density bonus for affordable housing, permanent supportive housing, and long-term inpatient care; (b) allowing an additional 1.5 FAR in any building within a station area in which all units are affordable for households with incomes at or below 60 percent area median income for at least 50 years or for permanent supportive housing; and (c) removing provisions allowing child care facilities and small businesses to be excluded from the FAR calculation.

(11) Specifies that if a city has enacted or expands an affordable housing incentive program in an area that must comply with the TOD regulations, that program governs to the extent it varies from the density bonus requirements.

(12) Modifies the exemption from TOD requirements for historic places to exempt any parcel that is a designated landmark or within a historic district established under a local preservation ordinance.

(13) Specifies that a city must comply with the new TOD requirements six months after its next periodic comprehensive plan update and, following the completion or funding of any transit stop that would create a new station area within the jurisdiction, at each five-year implementation progress report.

(14) Allows Commerce to approve subarea plans and implementing regulations adopted by cities prior to January 1, 2023, as substantially similar to the TOD requirements. Specifies that in evaluating plans and regulations, Commerce may consider if: (a) The regulations will result in an amount of affordable housing that is at least equivalent to the amount of affordable housing that would result if the TOD requirements were adopted; (b) the jurisdiction offers a way to exceed maximum heights to achieve buildings that exceed 100 feet; and (c) new detached single-family residences are prohibited on average within one-quarter mile of light rail stations. Directs Commerce to establish by rule any standards or procedures necessary to make a determination of substantially similar. Specifies that any local actions approved by Commerce as substantially similar are exempt from appeals under the State Environmental Protection Act but allows Commerce's final decision to be appealed to the Growth Management Hearings Board.

(15) Directs Commerce to develop, or contract for the development of, a statewide displacement risk map that identifies areas where residents and businesses are at a greater risk of displacement, which may build on existing models.

(16) Allows cities to apply to Commerce for an extension from the TOD requirements and to implement alternative FARs for areas at greater risk of displacement.

(17) Allows cities to impose off-street parking requirements within a station area 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. Directs Commerce to develop guidance to assist cities and counties on items to include in the study.

(18) Exempts from the provisions prohibiting off-street parking any portion of a city within a one-mile radius of a commercial airport with at least 9,000,000 annual enplanements.

(19) Removes counties from the provisions prohibiting off-street parking requirements within a station area.

--- END ---