

CERTIFICATION OF ENROLLMENT
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1923

66th Legislature
2019 Regular Session

Passed by the House April 24, 2019
Yeas 75 Nays 19

Speaker of the House of Representatives

Passed by the Senate April 22, 2019
Yeas 33 Nays 16

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1923** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1923

AS AMENDED BY THE SENATE

Passed Legislature - 2019 Regular Session

State of Washington 66th Legislature 2019 Regular Session

By House Appropriations (originally sponsored by Representatives Fitzgibbon, Macri, Appleton, Doglio, Dolan, Santos, and Frame)

READ FIRST TIME 03/01/19.

1 AN ACT Relating to increasing urban residential building
2 capacity; amending RCW 36.70A.030, 43.21C.420, and 36.70A.490; adding
3 new sections to chapter 36.70A RCW; adding new sections to chapter
4 43.21C RCW; adding a new section to chapter 35.21 RCW; adding a new
5 section to chapter 35A.21 RCW; adding a new section to chapter 36.22
6 RCW; providing an effective date; and declaring an emergency.

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 city planning pursuant to RCW 36.70A.040 is encouraged to
11 take the following actions in order to increase its residential
12 building capacity:

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

19 (b) Authorize development in one or more areas of not fewer than
20 five hundred acres in cities with a population greater than forty
21 thousand or not fewer than two hundred fifty acres in cities with a

1 population less than forty thousand that include at least one bus
2 stop served by scheduled bus service of at least four times per hour
3 for twelve or more hours per day with an average of at least twenty-
4 five residential units per acre that require no more than an average
5 of one on-site parking space per two bedrooms in portions of the
6 multifamily zones that are located within the areas;

7 (c) Authorize at least one duplex, triplex, or courtyard
8 apartment on each parcel in one or more zoning districts that permit
9 single-family residences unless a city documents a specific
10 infrastructure of physical constraint that would make this
11 requirement unfeasible for a particular parcel;

12 (d) Authorize cluster zoning or lot size averaging in all zoning
13 districts that permit single-family residences;

14 (e) Authorize attached accessory dwelling units on all parcels
15 containing single-family homes where the lot is at least three
16 thousand two hundred square feet in size, and permit both attached
17 and detached accessory dwelling units on all parcels containing
18 single-family homes, provided lots are at least four thousand three
19 hundred fifty-six square feet in size. Qualifying city ordinances or
20 regulations may not provide for on-site parking requirements, owner
21 occupancy requirements, or square footage limitations below one
22 thousand square feet for the accessory dwelling unit, and must not
23 prohibit the separate rental or sale of accessory dwelling units and
24 the primary residence. Cities must set applicable impact fees at no
25 more than the projected impact of the accessory dwelling unit. To
26 allow local flexibility, other than these factors, accessory dwelling
27 units may be subject to such regulations, conditions, procedures, and
28 limitations as determined by the local legislative authority, and
29 must follow all applicable state and federal laws and local
30 ordinances;

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

32 (g) Adopt a planned action pursuant to RCW 43.21C.440(1)(b)(ii),
33 except that an environmental impact statement pursuant to RCW
34 43.21C.030 is not required for such an action;

35 (h) Adopt increases in categorical exemptions pursuant to RCW
36 43.21C.229 for residential or mixed-use development;

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

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

3 (k) Allow for the division or redivision of land into the maximum
4 number of lots through the short subdivision process provided in
5 chapter 58.17 RCW; and

6 (l) Authorize a minimum net density of six dwelling units per
7 acre in all residential zones, where the residential development
8 capacity will increase within the city.

9 (2) A city planning pursuant to RCW 36.70A.040 may adopt a
10 housing action plan as described in this subsection. The goal of any
11 such housing plan must be to encourage construction of additional
12 affordable and market rate housing in a greater variety of housing
13 types and at prices that are accessible to a greater variety of
14 incomes, including strategies aimed at the for-profit single-family
15 home market. A housing action plan may utilize data compiled pursuant
16 to section 3 of this act. The housing action plan should:

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

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

24 (c) Analyze population and employment trends, with documentation
25 of projections;

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

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

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

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

37 (3) If adopted by April 1, 2021, ordinances, amendments to
38 development regulations, and other nonproject actions taken by a city
39 to implement the actions specified in subsection (1) of this section,
40 with the exception of the action specified in subsection (1)(f) of

1 this section, are not subject to administrative or judicial appeal
2 under chapter 43.21C RCW.

3 (4) Any action taken by a city prior to April 1, 2021, to amend
4 their comprehensive plan, or adopt or amend ordinances or development
5 regulations, solely to enact provisions under subsection (1) of this
6 section is not subject to legal challenge under this chapter.

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

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

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

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

39 (9) In implementing this act, cities are encouraged to prioritize
40 the creation of affordable, inclusive neighborhoods and to consider

1 the risk of residential displacement, particularly in neighborhoods
2 with communities at high risk of displacement.

3 **Sec. 2.** RCW 36.70A.030 and 2017 3rd sp.s. c 18 s 2 are each
4 amended to read as follows:

5 Unless the context clearly requires otherwise, the definitions in
6 this section apply throughout this chapter.

7 (1) "Adopt a comprehensive land use plan" means to enact a new
8 comprehensive land use plan or to update an existing comprehensive
9 land use plan.

10 (2) "Agricultural land" means land primarily devoted to the
11 commercial production of horticultural, viticultural, floricultural,
12 dairy, apiary, vegetable, or animal products or of berries, grain,
13 hay, straw, turf, seed, Christmas trees not subject to the excise tax
14 imposed by RCW 84.33.100 through 84.33.140, finfish in upland
15 hatcheries, or livestock, and that has long-term commercial
16 significance for agricultural production.

17 (3) "City" means any city or town, including a code city.

18 (4) "Comprehensive land use plan," "comprehensive plan," or
19 "plan" means a generalized coordinated land use policy statement of
20 the governing body of a county or city that is adopted pursuant to
21 this chapter.

22 (5) "Critical areas" include the following areas and ecosystems:

23 (a) Wetlands; (b) areas with a critical recharging effect on aquifers
24 used for potable water; (c) fish and wildlife habitat conservation
25 areas; (d) frequently flooded areas; and (e) geologically hazardous
26 areas. "Fish and wildlife habitat conservation areas" does not
27 include such artificial features or constructs as irrigation delivery
28 systems, irrigation infrastructure, irrigation canals, or drainage
29 ditches that lie within the boundaries of and are maintained by a
30 port district or an irrigation district or company.

31 (6) "Department" means the department of commerce.

32 (7) "Development regulations" or "regulation" means the controls
33 placed on development or land use activities by a county or city,
34 including, but not limited to, zoning ordinances, critical areas
35 ordinances, shoreline master programs, official controls, planned
36 unit development ordinances, subdivision ordinances, and binding site
37 plan ordinances together with any amendments thereto. A development
38 regulation does not include a decision to approve a project permit
39 application, as defined in RCW 36.70B.020, even though the decision

1 may be expressed in a resolution or ordinance of the legislative body
2 of the county or city.

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

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

27 (10) "Geologically hazardous areas" means areas that because of
28 their susceptibility to erosion, sliding, earthquake, or other
29 geological events, are not suited to the siting of commercial,
30 residential, or industrial development consistent with public health
31 or safety concerns.

32 (11) "Long-term commercial significance" includes the growing
33 capacity, productivity, and soil composition of the land for long-
34 term commercial production, in consideration with the land's
35 proximity to population areas, and the possibility of more intense
36 uses of the land.

37 (12) "Minerals" include gravel, sand, and valuable metallic
38 substances.

39 (13) "Public facilities" include streets, roads, highways,
40 sidewalks, street and road lighting systems, traffic signals,

1 domestic water systems, storm and sanitary sewer systems, parks and
2 recreational facilities, and schools.

3 (14) "Public services" include fire protection and suppression,
4 law enforcement, public health, education, recreation, environmental
5 protection, and other governmental services.

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

12 (16) "Rural character" refers to the patterns of land use and
13 development established by a county in the rural element of its
14 comprehensive plan:

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

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

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

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

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

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

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

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

38 (18) "Rural governmental services" or "rural services" include
39 those public services and public facilities historically and
40 typically delivered at an intensity usually found in rural areas, and

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

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

9 (20) "Urban governmental services" or "urban services" include
10 those public services and public facilities at an intensity
11 historically and typically provided in cities, specifically including
12 storm and sanitary sewer systems, domestic water systems, street
13 cleaning services, fire and police protection services, public
14 transit services, and other public utilities associated with urban
15 areas and normally not associated with rural areas.

16 (21) "Urban growth" refers to growth that makes intensive use of
17 land for the location of buildings, structures, and impermeable
18 surfaces to such a degree as to be incompatible with the primary use
19 of land for the production of food, other agricultural products, or
20 fiber, or the extraction of mineral resources, rural uses, rural
21 development, and natural resource lands designated pursuant to RCW
22 36.70A.170. A pattern of more intensive rural development, as
23 provided in RCW 36.70A.070(5)(d), is not urban growth. When allowed
24 to spread over wide areas, urban growth typically requires urban
25 governmental services. "Characterized by urban growth" refers to land
26 having urban growth located on it, or to land located in relationship
27 to an area with urban growth on it as to be appropriate for urban
28 growth.

29 (22) "Urban growth areas" means those areas designated by a
30 county pursuant to RCW 36.70A.110.

31 (23) "Wetland" or "wetlands" means areas that are inundated or
32 saturated by surface water or groundwater at a frequency and duration
33 sufficient to support, and that under normal circumstances do
34 support, a prevalence of vegetation typically adapted for life in
35 saturated soil conditions. Wetlands generally include swamps,
36 marshes, bogs, and similar areas. Wetlands do not include those
37 artificial wetlands intentionally created from nonwetland sites,
38 including, but not limited to, irrigation and drainage ditches,
39 grass-lined swales, canals, detention facilities, wastewater
40 treatment facilities, farm ponds, and landscape amenities, or those

1 wetlands created after July 1, 1990, that were unintentionally
2 created as a result of the construction of a road, street, or
3 highway. Wetlands may include those artificial wetlands intentionally
4 created from nonwetland areas created to mitigate conversion of
5 wetlands.

6 (24) "Affordable housing" means, unless the context clearly
7 indicates otherwise, residential housing whose monthly costs,
8 including utilities other than telephone, do not exceed thirty
9 percent of the monthly income of a household whose income is:

10 (a) For rental housing, sixty percent of the median household
11 income adjusted for household size, for the county where the
12 household is located, as reported by the United States department of
13 housing and urban development; or

14 (b) For owner-occupied housing, eighty percent of the median
15 household income adjusted for household size, for the county where
16 the household is located, as reported by the United States department
17 of housing and urban development.

18 (25) "Extremely low-income household" means a single person,
19 family, or unrelated persons living together whose adjusted income is
20 at or below thirty percent of the median household income adjusted
21 for household size, for the county where the household is located, as
22 reported by the United States department of housing and urban
23 development.

24 (26) "Low-income household" means a single person, family, or
25 unrelated persons living together whose adjusted income is at or
26 below eighty percent of the median household income adjusted for
27 household size, for the county where the household is located, as
28 reported by the United States department of housing and urban
29 development.

30 (27) "Permanent supportive housing" is subsidized, leased housing
31 with no limit on length of stay, paired with on-site or off-site
32 voluntary services designed to support a person living with a
33 disability to be a successful tenant in a housing arrangement,
34 improve the resident's health status, and connect residents of the
35 housing with community-based health care, treatment, and employment
36 services.

37 (28) "Very low-income household" means a single person, family,
38 or unrelated persons living together whose adjusted income is at or
39 below fifty percent of the median household income adjusted for
40 household size, for the county where the household is located, as

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

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A
4 RCW to read as follows:

5 The Washington center for real estate research at the University
6 of Washington shall produce a report every two years that compiles
7 housing supply and affordability metrics for each city planning under
8 RCW 36.70A.040 with a population of ten thousand or more. The initial
9 report, completed by October 15, 2020, must be a compilation of
10 objective criteria relating to development regulations, zoning,
11 income, housing and rental prices, housing affordability programs,
12 and other metrics relevant to assessing housing supply and
13 affordability for all income segments, including the percentage of
14 cost-burdened households, of each city subject to the report required
15 by this section. The report completed by October 15, 2022, must also
16 include data relating to actions taken by cities under this act. The
17 report completed by October 15, 2024, must also include relevant data
18 relating to buildable lands reports prepared under RCW 36.70A.215,
19 where applicable, and updates to comprehensive plans under this
20 chapter. The Washington center for real estate research shall
21 collaborate with the Washington housing finance commission and the
22 office of financial management to develop the metrics compiled in the
23 report. The report must be submitted, consistent with RCW 43.01.036,
24 to the standing committees of the legislature with jurisdiction over
25 housing issues and this chapter.

26 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.21C
27 RCW to read as follows:

28 If adopted by April 1, 2021, amendments to development
29 regulations and other nonproject actions taken by a city to implement
30 section 1 (1) or (4) of this act, with the exception of the action
31 specified in section 1(1)(f) of this act, are not subject to
32 administrative or judicial appeals under this chapter.

33 NEW SECTION. **Sec. 5.** A new section is added to chapter 36.70A
34 RCW to read as follows:

35 In counties and cities planning under RCW 36.70A.040, minimum
36 residential parking requirements mandated by municipal zoning

1 ordinances for housing units constructed after July 1, 2019, are
2 subject to the following requirements:

3 (1) For housing units that are affordable to very low-income or
4 extremely low-income individuals and that are located within one-
5 quarter mile of a transit stop that receives transit service at least
6 four times per hour for twelve or more hours per day, minimum
7 residential parking requirements may be no greater than one parking
8 space per bedroom or .75 space per unit. A city may require a
9 developer to record a covenant that prohibits the rental of a unit
10 subject to this parking restriction for any purpose other than
11 providing for housing for very low-income or extremely low-income
12 individuals. The covenant must address price restrictions and
13 household income limits and policies if the property is converted to
14 a use other than for low-income housing. A city may establish a
15 requirement for the provision of more than one parking space per
16 bedroom or .75 space per unit if the jurisdiction has determined a
17 particular housing unit to be in an area with a lack of access to
18 street parking capacity, physical space impediments, or other reasons
19 supported by evidence that would make on-street parking infeasible
20 for the unit.

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

37 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.21C
38 RCW to read as follows:

1 (1) A project action pertaining to residential, multifamily, or
2 mixed use development evaluated under this chapter by a city or town
3 planning under RCW 36.70A.040 is exempt from appeals under this
4 chapter on the basis of the evaluation of or impacts to
5 transportation elements of the environment, so long as the project
6 does not present significant adverse impacts to the state-owned
7 transportation system as determined by the department of
8 transportation and the project is:

9 (a) (i) Consistent with a locally adopted transportation plan; or

10 (ii) Consistent with the transportation element of a
11 comprehensive plan; and

12 (b) (i) A project for which traffic or parking impact fees are
13 imposed pursuant to RCW 82.02.050 through 82.02.090; or

14 (ii) A project for which traffic or parking impacts are expressly
15 mitigated by an ordinance, or ordinances, of general application
16 adopted by the city or town.

17 (2) For purposes of this section, "impacts to transportation
18 elements of the environment" include impacts to transportation
19 systems; vehicular traffic; waterborne, rail, and air traffic;
20 parking; movement or circulation of people or goods; and traffic
21 hazards.

22 **Sec. 7.** RCW 43.21C.420 and 2010 c 153 s 2 are each amended to
23 read as follows:

24 (1) Cities with a population greater than five thousand, in
25 accordance with their existing comprehensive planning and development
26 regulation authority under chapter 36.70A RCW, and in accordance with
27 this section, may adopt optional elements of their comprehensive
28 plans and optional development regulations that apply within
29 specified subareas of the cities, that are either:

30 (a) Areas designated as mixed-use or urban centers in a land use
31 or transportation plan adopted by a regional transportation planning
32 organization; or

33 (b) Areas within one-half mile of a major transit stop that are
34 zoned to have an average minimum density of fifteen dwelling units or
35 more per gross acre.

36 (2) Cities located on the east side of the Cascade mountains and
37 located in a county with a population of two hundred thirty thousand
38 or less, in accordance with their existing comprehensive planning and
39 development regulation authority under chapter 36.70A RCW, and in

1 accordance with this section, may adopt optional elements of their
2 comprehensive plans and optional development regulations that apply
3 within the mixed-use or urban centers. The optional elements of their
4 comprehensive plans and optional development regulations must enhance
5 pedestrian, bicycle, transit, or other nonvehicular transportation
6 methods.

7 (3) A major transit stop is defined as:

8 (a) A stop on a high capacity transportation service funded or
9 expanded under the provisions of chapter 81.104 RCW;

10 (b) Commuter rail stops;

11 (c) Stops on rail or fixed guideway systems, including
12 transitways;

13 (d) Stops on bus rapid transit routes or routes that run on high
14 occupancy vehicle lanes; or

15 (e) Stops for a bus or other transit mode providing fixed route
16 service at intervals of at least thirty minutes during the peak hours
17 of operation.

18 (4) (a) A city that elects to adopt such an optional comprehensive
19 plan element and optional development regulations shall prepare a
20 nonproject environmental impact statement, pursuant to RCW
21 43.21C.030, assessing and disclosing the probable significant adverse
22 environmental impacts of the optional comprehensive plan element and
23 development regulations and of future development that is consistent
24 with the plan and regulations.

25 (b) At least one community meeting must be held on the proposed
26 subarea plan before the scoping notice for such a nonproject
27 environmental impact statement is issued. Notice of scoping for such
28 a nonproject environmental impact statement and notice of the
29 community meeting required by this section must be mailed to all
30 property owners of record within the subarea to be studied, to all
31 property owners within one hundred fifty feet of the boundaries of
32 such a subarea, to all affected federally recognized tribal
33 governments whose ceded area is within one-half mile of the
34 boundaries of the subarea, and to agencies with jurisdiction over the
35 future development anticipated within the subarea.

36 ~~(c) ((In cities with over five hundred thousand residents, notice~~
37 ~~of scoping for such a nonproject environmental impact statement and~~
38 ~~notice of the community meeting required by this section must be~~
39 ~~mailed to all small businesses as defined in RCW 19.85.020, and to~~
40 ~~all community preservation and development authorities established~~

1 ~~under chapter 43.167 RCW, located within the subarea to be studied or~~
2 ~~within one hundred fifty feet of the boundaries of such subarea. The~~
3 ~~process for community involvement must have the goal of fair~~
4 ~~treatment and meaningful involvement of all people with respect to~~
5 ~~the development and implementation of the subarea planning process.~~

6 ~~(d))~~ The notice of the community meeting must include general
7 illustrations and descriptions of buildings generally representative
8 of the maximum building envelope that will be allowed under the
9 proposed plan and indicate that future appeals of proposed
10 developments that are consistent with the plan will be limited.
11 Notice of the community meeting must include signs located on major
12 travel routes in the subarea. If the building envelope increases
13 during the process, another notice complying with the requirements of
14 this section must be issued before the next public involvement
15 opportunity.

16 ~~((e))~~ (d) Any person that has standing to appeal the adoption
17 of this subarea plan or the implementing regulations under RCW
18 36.70A.280 has standing to bring an appeal of the nonproject
19 environmental impact statement required by this subsection.

20 ~~((f) Cities with over five hundred thousand residents shall~~
21 ~~prepare a study that accompanies or is appended to the nonproject~~
22 ~~environmental impact statement, but must not be part of that~~
23 ~~statement, that analyzes the extent to which the proposed subarea~~
24 ~~plan may result in the displacement or fragmentation of existing~~
25 ~~businesses, existing residents, including people living with poverty,~~
26 ~~families with children, and intergenerational households, or cultural~~
27 ~~groups within the proposed subarea plan. The city shall also discuss~~
28 ~~the results of the analysis at the community meeting.~~

29 ~~(g))~~ (e) As an incentive for development authorized under this
30 section, a city shall consider establishing a transfer of development
31 rights program in consultation with the county where the city is
32 located, that conserves county-designated agricultural and forestland
33 of long-term commercial significance. If the city decides not to
34 establish a transfer of development rights program, the city must
35 state in the record the reasons for not adopting the program. The
36 city's decision not to establish a transfer of development rights
37 program is not subject to appeal. Nothing in this subsection (4)

38 ~~((g))~~ (e) may be used as a basis to challenge the optional
39 comprehensive plan or subarea plan policies authorized under this
40 section.

1 (5) (a) Until July 1, ((2018)) 2029, a proposed development that
2 meets the criteria of (b) of this subsection may not be challenged in
3 administrative or judicial appeals for noncompliance with this
4 chapter as long as a complete application for such a development that
5 vests the application or would later lead to vested status under city
6 or state law is submitted to the city within a time frame established
7 by the city, but not to exceed the following time frames:

8 (i) Nineteen years from the date of issuance of the final
9 environmental impact statement, for projects that are consistent with
10 an optional element adopted by a city as of the effective date of
11 this section; or

12 (ii) Ten years from the date of issuance of the final
13 environmental impact statement, for projects that are consistent with
14 an optional element adopted by a city after the effective date of
15 this section.

16 (b) A proposed development may not be challenged, consistent with
17 the timelines established in (a) of this subsection, so long as the
18 development:

19 (i) Is consistent with the optional comprehensive plan or subarea
20 plan policies and development regulations adopted under subsection
21 (1) or (2) of this section;

22 (ii) Sets aside or requires the occupancy of at least ten percent
23 of the dwelling units, or a greater percentage as determined by city
24 development regulations, within the development for low-income
25 households at a sale price or rental amount that is considered
26 affordable by a city's housing programs. This subsection (5) (b) (ii)
27 applies only to projects that are consistent with an optional element
28 adopted by a city pursuant to this section after the effective date
29 of this section; and ((that))

30 (iii) Is environmentally reviewed under subsection (4) of this
31 section ((may not be challenged in administrative or judicial appeals
32 for noncompliance with this chapter as long as a complete application
33 for such a development that vests the application or would later lead
34 to vested status under city or state law is submitted to the city
35 within a time frame established by the city, but not to exceed ten
36 years from the date of issuance of the final environmental impact
37 statement)).

38 ((b)) (c) After July 1, ((2018)) 2029, the immunity from
39 appeals under this chapter of any application that vests or will vest
40 under this subsection or the ability to vest under this subsection is

1 still valid, provided that the final subarea environmental impact
2 statement is issued by July 1, ~~((2018))~~ 2029. After July 1, ~~((2018))~~
3 2029, a city may continue to collect reimbursement fees under
4 subsection (6) of this section for the proportionate share of a
5 subarea environmental impact statement issued prior to July 1,
6 ~~((2018))~~ 2029.

7 (6) It is recognized that a city that prepares a nonproject
8 environmental impact statement under subsection (4) of this section
9 must endure a substantial financial burden. A city may recover or
10 apply for a grant or loan to prospectively cover its reasonable
11 expenses of preparation of a nonproject environmental impact
12 statement prepared under subsection (4) of this section through
13 access to financial assistance under RCW 36.70A.490 or funding from
14 private sources. In addition, a city is authorized to recover a
15 portion of its reasonable expenses of preparation of such a
16 nonproject environmental impact statement by the assessment of
17 reasonable and proportionate fees upon subsequent development that is
18 consistent with the plan and development regulations adopted under
19 subsection (5) of this section, as long as the development makes use
20 of and benefits ~~((from))~~ from, as described in subsection (5) of
21 this section, ~~((from))~~ the nonproject environmental impact statement
22 prepared by the city. Any assessment fees collected from subsequent
23 development may be used to reimburse funding received from private
24 sources. In order to collect such fees, the city must enact an
25 ordinance that sets forth objective standards for determining how the
26 fees to be imposed upon each development will be proportionate to the
27 impacts of each development and to the benefits accruing to each
28 development from the nonproject environmental impact statement. Any
29 disagreement about the reasonableness or amount of the fees imposed
30 upon a development may not be the basis for delay in issuance of a
31 project permit for that development. The fee assessed by the city may
32 be paid with the written stipulation "paid under protest" and if the
33 city provides for an administrative appeal of its decision on the
34 project for which the fees are imposed, any dispute about the amount
35 of the fees must be resolved in the same administrative appeal
36 process.

37 (7) If a proposed development is inconsistent with the optional
38 comprehensive plan or subarea plan policies and development
39 regulations adopted under subsection (1) of this section, the city

1 shall require additional environmental review in accordance with this
2 chapter.

3 **Sec. 8.** RCW 36.70A.490 and 2012 1st sp.s. c 1 s 309 are each
4 amended to read as follows:

5 The growth management planning and environmental review fund is
6 hereby established in the state treasury. Moneys may be placed in the
7 fund from the proceeds of bond sales, tax revenues, budget transfers,
8 federal appropriations, gifts, or any other lawful source. Moneys in
9 the fund may be spent only after appropriation. Moneys in the fund
10 shall be used to make grants or loans to local governments for the
11 purposes set forth in RCW 43.21C.240, 43.21C.031, (~~(e)~~) 36.70A.500,
12 section 1 of this act, for costs associated with section 3 of this
13 act, and to cover costs associated with the adoption of optional
14 elements of comprehensive plans consistent with RCW 43.21C.420. Any
15 payment of either principal or interest, or both, derived from loans
16 made from this fund must be deposited into the fund.

17 NEW SECTION. **Sec. 9.** A new section is added to chapter 35.21
18 RCW to read as follows:

19 A city may not prohibit permanent supportive housing in areas
20 where multifamily housing is permitted.

21 NEW SECTION. **Sec. 10.** A new section is added to chapter 35A.21
22 RCW to read as follows:

23 A code city may not prohibit permanent supportive housing in
24 areas where multifamily housing is permitted.

25 NEW SECTION. **Sec. 11.** A new section is added to chapter 36.22
26 RCW to read as follows:

27 (1) Except as provided in subsection (2) of this section, a
28 surcharge of two dollars and fifty cents shall be charged by the
29 county auditor for each document recorded, which will be in addition
30 to any other charge or surcharge allowed by law. The auditor shall
31 remit the funds to the state treasurer to be deposited and used as
32 follows:

33 (a) Through June 30, 2024, funds must be deposited into the
34 growth management planning and environmental review fund created in
35 RCW 36.70A.490 to be used first for grants for costs associated with

1 section 1 of this act and for costs associated with section 3 of this
2 act, and thereafter for any allowable use of the fund.

3 (b) Beginning July 1, 2024, sufficient funds must be deposited
4 into the growth management planning and environmental review fund
5 created in RCW 36.70A.490 for costs associated with section 3 of this
6 act, and the remainder deposited into the home security fund account
7 created in RCW 43.185C.060 to be used for maintenance and operation
8 costs of: (i) Permanent supportive housing and (ii) affordable
9 housing for very low-income and extremely low-income households.
10 Funds may only be expended in cities that have taken action under
11 section 1 of this act.

12 (2) The surcharge imposed in this section does not apply to: (a)
13 Assignments or substitutions of previously recorded deeds of trust;
14 (b) documents recording a birth, marriage, divorce, or death; (c) any
15 recorded documents otherwise exempted from a recording fee or
16 additional surcharges under state law; (d) marriage licenses issued
17 by the county auditor; or (e) documents recording a federal, state,
18 county, or city lien or satisfaction of lien.

19 (3) For purposes of this section, the terms "permanent supportive
20 housing," "affordable housing," "very low-income households," and
21 "extremely low-income households" have the same meaning as provided
22 in RCW 36.70A.030.

23 NEW SECTION. **Sec. 12.** Section 11 of this act is necessary for
24 the immediate preservation of the public peace, health, or safety, or
25 support of the state government and its existing public institutions,
26 and takes effect July 1, 2019.

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