## ENGROSSED SUBSTITUTE HOUSE BILL 1660

State of Washington 67th Legislature 2022 Regular Session

By House Local Government (originally sponsored by Representatives Shewmake, Ryu, Fitzgibbon, Ramel, Bateman, Gregerson, Goodman, Macri, Peterson, Simmons, Bergquist, Tharinger, Kloba, Pollet, and Ormsby)

READ FIRST TIME 01/25/22.

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- AN ACT Relating to accessory dwelling units; amending RCW 36.70A.070, 36.70A.697, and 36.70A.698; adding a new section to chapter 64.38 RCW; adding a new section to chapter 64.90 RCW; adding a new section to chapter 36.70A RCW; adding a new section to chapter 64.34 RCW; and adding a new section to chapter 64.32 RCW.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 **Sec. 1.** RCW 36.70A.070 and 2021 c 254 s 2 are each amended to 8 read as follows:
  - The comprehensive plan of a county or city that is required or chooses to plan under RCW 36.70A.040 shall consist of a map or maps, and descriptive text covering objectives, principles, and standards used to develop the comprehensive plan. The plan shall be an internally consistent document and all elements shall be consistent with the future land use map. A comprehensive plan shall be adopted and amended with public participation as provided in RCW 36.70A.140. Each comprehensive plan shall include a plan, scheme, or design for each of the following:
- 18 (1) A land use element designating the proposed general 19 distribution and general location and extent of the uses of land, 20 where appropriate, for agriculture, timber production, housing, 21 commerce, industry, recreation, open spaces, general aviation

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- 1 airports, public utilities, public facilities, and other land uses. The land use element shall include population densities, building 2 intensities, and estimates of future population growth. The land use 3 element shall provide for protection of the quality and quantity of 4 groundwater used for public water supplies. Wherever possible, the 5 6 land use element should consider utilizing urban planning approaches that promote physical activity. Where applicable, the land use 7 element shall review drainage, flooding, and stormwater runoff in the 8 area and nearby jurisdictions and provide guidance for corrective 9 actions to mitigate or cleanse those discharges that pollute waters 10 11 of the state, including Puget Sound or waters entering Puget Sound.
  - (2) A housing element ensuring the vitality and character of established residential neighborhoods that:

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- (a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth, as provided by the department of commerce, including:
- (i) Units for moderate, low, very low, and extremely low-income households; and
- (ii) Emergency housing, emergency shelters, and permanent supportive housing;
- (b) Includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences, and within an urban growth area boundary, moderate density housing options including( $(\frac{1}{1})$ ), but not limited to, duplexes, triplexes, and townhomes;
- (c) Identifies sufficient capacity of land for housing including, but not limited to, government-assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing, and within an urban growth area boundary, consideration of duplexes, triplexes, and townhomes;
- 35 (d) Makes adequate provisions for existing and projected needs of all economic segments of the community, including:
- 37 (i) Incorporating consideration for low, very low, extremely low, 38 and moderate-income households;

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- 1 (ii) Documenting programs and actions needed to achieve housing 2 availability including gaps in local funding, barriers such as 3 development regulations, and other limitations;
- 4 (iii) Consideration of housing locations in relation to 5 employment location; and
- 6 (iv) Consideration ((<del>of the role</del>)) <u>and utilization</u> of accessory
  7 dwelling units in meeting housing needs <u>in compliance with RCW</u>
  8 36.70A.698;
- 9 (e) Identifies local policies and regulations that result in 10 racially disparate impacts, displacement, and exclusion in housing, 11 including:
  - (i) Zoning that may have a discriminatory effect;
  - (ii) Disinvestment; and

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- (iii) Infrastructure availability;
- (f) Identifies and implements policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions;
- (g) Identifies areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments; and
- (h) Establishes antidisplacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.

In counties and cities subject to the review and evaluation requirements of RCW 36.70A.215, any revision to the housing element shall include consideration of prior review and evaluation reports and any reasonable measures identified. The housing element should link jurisdictional goals with overall county goals to ensure that the housing element goals are met.

(3) A capital facilities plan element consisting of: (a) An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities; (b) a forecast of the future needs for such capital facilities; (c) the proposed locations and capacities of expanded or new capital facilities; (d) at least a six-year plan that will finance such capital facilities within projected funding capacities and clearly

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- identifies sources of public money for such purposes; and (e) a requirement to reassess the land use element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital facilities plan element, and financing plan within the capital facilities plan element are coordinated and consistent. Park and recreation facilities shall be included in the capital facilities plan element.
  - (4) A utilities element consisting of the general location, proposed location, and capacity of all existing and proposed utilities, including, but not limited to, electrical lines, telecommunication lines, and natural gas lines.

- (5) Rural element. Counties shall include a rural element including lands that are not designated for urban growth, agriculture, forest, or mineral resources. The following provisions shall apply to the rural element:
- (a) Growth management act goals and local circumstances. Because circumstances vary from county to county, in establishing patterns of rural densities and uses, a county may consider local circumstances, but shall develop a written record explaining how the rural element harmonizes the planning goals in RCW 36.70A.020 and meets the requirements of this chapter.
- (b) Rural development. The rural element shall permit rural development, forestry, and agriculture in rural areas. The rural element shall provide for a variety of rural densities, uses, essential public facilities, and rural governmental services needed to serve the permitted densities and uses. To achieve a variety of rural densities and uses, counties may provide for clustering, density transfer, design guidelines, conservation easements, and other innovative techniques that will accommodate appropriate rural economic advancement, densities, and uses that are not characterized by urban growth and that are consistent with rural character.
- (c) Measures governing rural development. The rural element shall include measures that apply to rural development and protect the rural character of the area, as established by the county, by:
  - (i) Containing or otherwise controlling rural development;
- 36 (ii) Assuring visual compatibility of rural development with the 37 surrounding rural area;
- 38 (iii) Reducing the inappropriate conversion of undeveloped land 39 into sprawling, low-density development in the rural area;

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1 (iv) Protecting critical areas, as provided in RCW 36.70A.060, 2 and surface water and groundwater resources; and

- (v) Protecting against conflicts with the use of agricultural, forest, and mineral resource lands designated under RCW 36.70A.170.
- (d) Limited areas of more intensive rural development. Subject to the requirements of this subsection and except as otherwise specifically provided in this subsection (5)(d), the rural element may allow for limited areas of more intensive rural development, including necessary public facilities and public services to serve the limited area as follows:
- (i) Rural development consisting of the infill, development, or redevelopment of existing commercial, industrial, residential, or mixed-use areas, whether characterized as shoreline development, villages, hamlets, rural activity centers, or crossroads developments.
  - (A) A commercial, industrial, residential, shoreline, or mixeduse area are subject to the requirements of (d)(iv) of this subsection, but are not subject to the requirements of (c)(ii) and (iii) of this subsection.
  - (B) Any development or redevelopment other than an industrial area or an industrial use within a mixed-use area or an industrial area under this subsection (5)(d)(i) must be principally designed to serve the existing and projected rural population.
  - (C) Any development or redevelopment in terms of building size, scale, use, or intensity shall be consistent with the character of the existing areas. Development and redevelopment may include changes in use from vacant land or a previously existing use so long as the new use conforms to the requirements of this subsection (5);
  - (ii) The intensification of development on lots containing, or new development of, small-scale recreational or tourist uses, including commercial facilities to serve those recreational or tourist uses, that rely on a rural location and setting, but that do not include new residential development. A small-scale recreation or tourist use is not required to be principally designed to serve the existing and projected rural population. Public services and public facilities shall be limited to those necessary to serve the recreation or tourist use and shall be provided in a manner that does not permit low-density sprawl;
- 39 (iii) The intensification of development on lots containing 40 isolated nonresidential uses or new development of isolated cottage

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1 industries and isolated small-scale businesses that are not principally designed to serve the existing and projected rural 2 population and nonresidential uses, but do provide job opportunities 3 for rural residents. Rural counties may allow the expansion of small-4 scale businesses as long as those small-scale businesses conform with 5 6 the rural character of the area as defined by the local government according to RCW 36.70A.030(23). Rural counties may also allow new 7 small-scale businesses to utilize a site previously occupied by an 8 existing business as long as the new small-scale business conforms to 9 10 the rural character of the area as defined by the local government 11 according to RCW 36.70A.030(23). Public services and 12 facilities shall be limited to those necessary to serve the isolated nonresidential use and shall be provided in a manner that does not 13 14 permit low-density sprawl;

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- (iv) A county shall adopt measures to minimize and contain the existing areas or uses of more intensive rural development, as appropriate, authorized under this subsection. Lands included in such existing areas or uses shall not extend beyond the logical outer boundary of the existing area or use, thereby allowing a new pattern of low-density sprawl. Existing areas are those that are clearly identifiable and contained and where there is a logical boundary delineated predominately by the built environment, but that may also include undeveloped lands if limited as provided in this subsection. The county shall establish the logical outer boundary of an area of more intensive rural development. In establishing the logical outer boundary, the county shall address (A) the need to preserve the character of existing natural neighborhoods and communities, (B) physical boundaries, such as bodies of water, streets and highways, and land forms and contours, (C) the prevention of abnormally irregular boundaries, and (D) the ability to provide public facilities and public services in a manner that does not permit lowdensity sprawl;
- (v) For purposes of (d) of this subsection, an existing area or existing use is one that was in existence:
- 35 (A) On July 1, 1990, in a county that was initially required to glan under all of the provisions of this chapter;
- 37 (B) On the date the county adopted a resolution under RCW 38 36.70A.040(2), in a county that is planning under all of the provisions of this chapter under RCW 36.70A.040(2); or

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- (C) On the date the office of financial management certifies the county's population as provided in RCW 36.70A.040(5), in a county that is planning under all of the provisions of this chapter pursuant to RCW 36.70A.040(5).
- (e) Exception. This subsection shall not be interpreted to permit in the rural area a major industrial development or a master planned resort unless otherwise specifically permitted under RCW 36.70A.360 and 36.70A.365.
- 9 (6) A transportation element that implements, and is consistent 10 with, the land use element.
- 11 (a) The transportation element shall include the following 12 subelements:
  - (i) Land use assumptions used in estimating travel;
  - (ii) Estimated traffic impacts to state-owned transportation facilities resulting from land use assumptions to assist the department of transportation in monitoring the performance of state facilities, to plan improvements for the facilities, and to assess the impact of land-use decisions on state-owned transportation facilities;
- 20 (iii) Facilities and services needs, including:

- (A) An inventory of air, water, and ground transportation facilities and services, including transit alignments and general aviation airport facilities, to define existing capital facilities and travel levels as a basis for future planning. This inventory must include state-owned transportation facilities within the city or county's jurisdictional boundaries;
- (B) Level of service standards for all locally owned arterials and transit routes to serve as a gauge to judge performance of the system. These standards should be regionally coordinated;
- (C) For state-owned transportation facilities, level of service standards for highways, as prescribed in chapters 47.06 and 47.80 RCW, to gauge the performance of the system. The purposes of reflecting level of service standards for state highways in the local comprehensive plan are to monitor the performance of the system, to evaluate improvement strategies, and to facilitate coordination between the county's or city's six-year street, road, or transit program and the office of financial management's ten-year investment program. The concurrency requirements of (b) of this subsection do not apply to transportation facilities and services of statewide significance except for counties consisting of islands whose only

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- connection to the mainland are state highways or ferry routes. In these island counties, state highways and ferry route capacity must be a factor in meeting the concurrency requirements in (b) of this subsection;
  - (D) Specific actions and requirements for bringing into compliance locally owned transportation facilities or services that are below an established level of service standard;
  - (E) Forecasts of traffic for at least ((ten)) 10 years based on the adopted land use plan to provide information on the location, timing, and capacity needs of future growth;
  - (F) Identification of state and local system needs to meet current and future demands. Identified needs on state-owned transportation facilities must be consistent with the statewide multimodal transportation plan required under chapter 47.06 RCW;
    - (iv) Finance, including:

- 16 (A) An analysis of funding capability to judge needs against 17 probable funding resources;
  - (B) A multiyear financing plan based on the needs identified in the comprehensive plan, the appropriate parts of which shall serve as the basis for the six-year street, road, or transit program required by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795 for public transportation systems. The multiyear financing plan should be coordinated with the ((ten-year)) 10-year investment program developed by the office of financial management as required by RCW 47.05.030;
  - (C) If probable funding falls short of meeting identified needs, a discussion of how additional funding will be raised, or how land use assumptions will be reassessed to ensure that level of service standards will be met;
  - (v) Intergovernmental coordination efforts, including an assessment of the impacts of the transportation plan and land use assumptions on the transportation systems of adjacent jurisdictions;
    - (vi) Demand-management strategies;
  - (vii) Pedestrian and bicycle component to include collaborative efforts to identify and designate planned improvements for pedestrian and bicycle facilities and corridors that address and encourage enhanced community access and promote healthy lifestyles.
  - (b) After adoption of the comprehensive plan by jurisdictions required to plan or who choose to plan under RCW 36.70A.040, local jurisdictions must adopt and enforce ordinances which prohibit

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development approval if the development causes the level of service on a locally owned transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan, unless transportation improvements or strategies to accommodate the impacts of development are made concurrent with the development. These strategies may include increased public transportation service, ride-sharing programs, demand management, and other transportation systems management strategies. For the purposes of this subsection (6), "concurrent with the development" means that improvements or strategies are in place at the time of development, or that a financial commitment is in place to complete the improvements or strategies within six years. If the collection of impact fees is delayed under RCW 82.02.050(3), the six-year period required by this subsection (6)(b) must begin after full payment of all impact fees is due to the county or city. 

(c) The transportation element described in this subsection (6), the six-year plans required by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795 for public transportation systems, and the ten-year investment program required by RCW 47.05.030 for the state, must be consistent.

- (7) An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life. A city that has chosen to be a residential community is exempt from the economic development element requirement of this subsection.
- (8) A park and recreation element that implements, and is consistent with, the capital facilities plan element as it relates to park and recreation facilities. The element shall include: (a) Estimates of park and recreation demand for at least a ((ten-year)) 10-year period; (b) an evaluation of facilities and service needs; and (c) an evaluation of intergovernmental coordination opportunities to provide regional approaches for meeting park and recreational demand.
- (9) It is the intent that new or amended elements required after January 1, 2002, be adopted concurrent with the scheduled update provided in RCW 36.70A.130. Requirements to incorporate any such new or amended elements shall be null and void until funds sufficient to cover applicable local government costs are appropriated and distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130.

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1 **Sec. 2.** RCW 36.70A.697 and 2020 c 217 s 3 are each amended to 2 read as follows:

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- (1) Cities <u>and counties</u> must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, and other official controls the requirements of RCW 36.70A.698 to take effect by <u>the time of the city's or county's next comprehensive</u> plan update after July 1, 2021.
- 8 (2) Beginning ((<del>July 1, 2021</del>)) <u>after the deadline in subsection</u> 9 (1) of this section, the requirements of RCW 36.70A.698:
- 10 (a) Apply and take effect in any city <u>or county</u> that has not 11 adopted or amended ordinances, regulations, or other official 12 controls as required under this section; and
- 13 (b) Supersede, preempt, and invalidate any local development 14 regulations that conflict with RCW 36.70A.698.
- 15 **Sec. 3.** RCW 36.70A.698 and 2020 c 217 s 4 are each amended to 16 read as follows:
  - (1) ((Except as provided in subsection[s] (2) and (3) of this section, through ordinances, development regulations, zoning regulations, and other official controls as required under RCW 36.70A.697, cities)) Cities and counties may not ((require)) prohibit the construction of accessory dwelling units within urban growth areas.
- 23 (2) When regulating accessory dwelling units, cities and counties 24 may not:
- 25 <u>(a) Impose a maximum floor area limit on the size of an accessory</u> 26 <u>dwelling unit of less than:</u>
- (i) Eight hundred fifty square feet for an accessory dwelling
  unit on a lot with a total square footage of less than 4,500 square
  feet; or
  - (ii) One thousand three hundred fifty square feet combined between attached and detached accessory dwelling units on a lot with a total square footage of more than 4,500 square feet, except that an attached accessory dwelling unit may be limited to half of the square footage of the principal unit and a county or city may require that public health, safety, building code, and environmental permitting requirements that would be applicable to the principal unit are met prior to the construction of the accessory dwelling unit;
- 38 <u>(b) Impose any impact fees on the construction or development of</u> 39 <u>an accessory dwelling unit that are greater than 50 percent of the</u>

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impact fees that would be imposed on a similarly sized principal
unit;

- (c) Impose a limit on accessory dwelling units of fewer than one attached and one detached accessory dwelling unit on a lot zoned for residential use with a total square footage of more than 4,500 square feet, unless the lot is otherwise zoned to allow at least three dwelling units;
- (d) Impose any prohibition of the sale or other conveyance of a condominium unit independently of a principal unit that is based solely on the grounds that the condominium unit was originally built as an accessory dwelling unit, provided that the condominium unit is served by utilities that are independent of the principal unit;
- (e) Impose any owner occupancy requirements on any housing or dwelling unit on a lot containing an accessory dwelling unit. A city or county may retain an owner occupancy requirement if:
- (i) An accessory dwelling unit on the lot is offered or used for short-term rental as defined in RCW 36.70A.696; or
- (ii) The owner of the accessory dwelling unit accepts an offer from the city or county for the reduction or waiver of the costs or fees that would have normally been imposed on the construction of the accessory dwelling unit. In order to utilize this provision, a city or county must have a general program offering the waiver or reduction of fees and costs associated with accessory dwelling unit construction, with specific additional waiver provisions for units offered at or below 80 percent of the area median income;
- (f) Require the provision of off-street parking for accessory dwelling units within one-quarter mile of a major transit stop.
- (((2) A city may require the provision of off-street parking for an accessory dwelling unit located within one-quarter mile of a major transit stop if the city has determined that the accessory dwelling unit is in an area with a lack of access to street parking capacity, physical space impediments, or other reasons supported by evidence that would make on-street parking infeasible for the accessory dwelling unit.
- (3) A city that has adopted or substantively amended accessory dwelling unit regulations within the four years previous to June 11, 2020, is not subject to the requirements of this section.))
- 38 <u>(3) Cities and counties may apply generally applicable</u> 39 <u>development regulations to the construction of accessory dwelling</u> 40 units.

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NEW SECTION. Sec. 4. A new section is added to chapter 64.38 RCW to read as follows:

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- (1) Governing documents created after the effective date of this section and applicable to an association located within an urban growth area may not actively or effectively prohibit the construction, development, or use on a lot of an accessory dwelling unit.
- 8 (2) For the purposes of this section, "urban growth area" has the 9 same meaning as in RCW 36.70A.030.
- 10 (3) A city or county issuing a permit for the construction of an accessory dwelling unit may not be held civilly liable on the basis 12 that the construction of the accessory dwelling unit would violate 13 governing documents that were created after the effective date of 14 this section and that are contrary to subsection (1) of this section.
- NEW SECTION. Sec. 5. A new section is added to chapter 64.90 RCW to read as follows:
- 17 (1) Neither a declaration nor a governing document created after 18 the effective date of this section and applicable to a common 19 interest community located inside an urban growth area may actively 20 or effectively prohibit the construction, development, or use on a 21 lot of an accessory dwelling unit.
- 22 (2) For the purposes of this section, "urban growth area" has the same meaning as in RCW 36.70A.030.
- (3) A city or county issuing a permit for the construction of an accessory dwelling unit may not be held civilly liable on the basis that the construction of the accessory dwelling unit would violate declarations or governing documents that were created after the effective date of this section and that are contrary to subsection (1) of this section.
- NEW SECTION. Sec. 6. A new section is added to chapter 36.70A RCW to read as follows:
- 32 (1) No restrictive covenant or deed restriction created after the 33 effective date of this section and applicable to a property located 34 within an urban growth area may prohibit the construction, 35 development, or use on a lot of an accessory dwelling unit.
- 36 (2) For the purposes of this section, "urban growth area" has the same meaning as in RCW 36.70A.030.

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(3) A city or county issuing a permit for the construction of an accessory dwelling unit may not be held civilly liable on the basis that the construction of the accessory dwelling unit would violate a restrictive covenant or deed restriction that was created after the effective date of this section and that is contrary to subsection (1) of this section.

- NEW SECTION. Sec. 7. A new section is added to chapter 64.34 RCW to read as follows:
  - (1) A declaration created after the effective date of this section and applicable to an association located within an urban growth area may not actively or effectively prohibit the construction, development, or use of an accessory dwelling unit.
- 13 (2) For the purposes of this section, "urban growth area" has the same meaning as in RCW 36.70A.030.
  - (3) A city or county issuing a permit for the construction of an accessory dwelling unit may not be held civilly liable on the basis that the construction of the accessory dwelling unit would violate governing documents that were created after the effective date of this section and that are contrary to subsection (1) of this section.
- NEW SECTION. Sec. 8. A new section is added to chapter 64.32 RCW to read as follows:
  - (1) A declaration created after the effective date of this section and applicable to an association of apartment owners located within an urban growth area may not actively or effectively prohibit the construction, development, or use of an accessory dwelling unit.
  - (2) For the purposes of this section, "urban growth area" has the same meaning as in RCW 36.70A.030.
  - (3) A city or county issuing a permit for the construction of an accessory dwelling unit may not be held civilly liable on the basis that the construction of the accessory dwelling unit would violate governing documents that were created after the effective date of this section and that are contrary to subsection (1) of this section.

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