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ENGROSSED SUBSTITUTE HOUSE BILL 2474

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State of Washington

68th Legislature

2024 Regular Session

By House Appropriations (originally sponsored by Representatives Peterson, Alvarado, Gregerson, Berry, Leavitt, Fosse, Macri, Nance, Chopp, and Bateman)

READ FIRST TIME 02/05/24.

1 AN ACT Relating to compliance with siting requirements for  
2 transitional housing, permanent supportive housing, indoor emergency  
3 shelters, and indoor emergency housing; adding a new section to  
4 chapter 35.21 RCW; adding a new section to chapter 35A.21 RCW; and  
5 providing expiration dates.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 35.21  
8 RCW to read as follows:

9 (1) The department of commerce shall provide services to  
10 facilitate the timely resolution of disputes between a city and:

11 (a) An applicant seeking a project permit or development  
12 agreement to site or construct permanent supportive housing,  
13 transitional housing, indoor emergency housing, or indoor emergency  
14 shelters; or

15 (b) A developer for permanent supportive housing, transitional  
16 housing, indoor emergency housing, or indoor emergency shelters that  
17 alleges a zoning ordinance or development regulations adopted by the  
18 city prevents the siting of housing or shelter in violation of RCW  
19 35.21.683, 36.130.020, or, if applicable, 36.70A.070(2)(c).

20 (2) A city, an applicant, or a developer as specified in  
21 subsection (1) of this section may request the department of commerce

1 provide facilitation services to resolve issues of concern with a  
2 proposed development of permanent supportive housing, transitional  
3 housing, indoor emergency housing, or indoor emergency shelters.

4 (3) If dispute resolution is unsuccessful, the city must submit  
5 the project permit application, any development agreement, any zoning  
6 ordinance and related development regulations, or any other relevant  
7 documents, including a statement of the reason for any denial,  
8 rescission, or conditions of approval, the requirements necessary to  
9 fulfill the development agreement or development regulations, or how  
10 the adopted ordinance and development regulations comply with RCW  
11 35.21.683, to the department of commerce for review.

12 (4)(a) If the department of commerce finds that the final  
13 decision on the project permit application, a development agreement,  
14 or another permitting process violates RCW 35.21.683, 36.130.020, or,  
15 if applicable, 36.70A.070(2)(c), the department shall reverse the  
16 final decision and return it to the city for approval, modification,  
17 or further proceedings.

18 (b) If the department of commerce finds that a zoning ordinance  
19 or development regulations adopted by the city prevents the siting of  
20 housing or shelter in violation of RCW 35.21.683, 36.130.020, or, if  
21 applicable, 36.70A.070(2)(c), the department must issue a  
22 determination of noncompliance.

23 (5)(a) The final decision of the department of commerce under  
24 subsection (4)(a) of this section may be appealed as a land use  
25 decision under chapter 36.70C RCW by the city, the applicant, or any  
26 other person with standing under RCW 36.70C.060.

27 (b) The final decision of the department of commerce under  
28 subsection (4)(b) of this section may be appealed to the growth  
29 management hearings board by filing a petition as provided in RCW  
30 36.70A.290.

31 (6)(a) The department shall notify the state treasurer if a city  
32 fails to:

33 (i) Issue a project permit application, a development agreement,  
34 or another permit or process decision within 30 days of a  
35 determination of noncompliance under subsection (4)(a) of this  
36 section; or

37 (ii) Amend its zoning ordinance and related development  
38 regulations to comply with RCW 35.21.683, 36.130.020, and, if  
39 applicable, 36.70A.070(2)(c) within 30 days of a determination of  
40 noncompliance under subsection (4)(b) of this section.

1 (b) Upon notification, the state treasurer shall withhold the  
2 following revenues to which a city is entitled: (i) The motor vehicle  
3 fuel tax, as provided in chapter 82.38 RCW; (ii) the transportation  
4 improvement account, as provided in RCW 47.26.084; (iii) the rural  
5 arterial trust account, as provided in RCW 36.79.150; (iv) the sales  
6 and use tax, as provided in chapter 82.14 RCW; (v) the liquor profit  
7 tax, as provided in RCW 66.08.190; and (vi) the liquor excise tax, as  
8 provided in RCW 82.08.170.

9 (c) The state treasurer shall resume distributions of revenues  
10 withheld under (b) of this subsection when the city issues the  
11 project permit application or amends its zoning ordinance and related  
12 development regulations.

13 (7) An applicant submitting a project permit application, a  
14 development agreement, or other documents for permanent supportive  
15 housing, transitional housing, indoor emergency housing, or indoor  
16 emergency shelters may submit a copy of the project permit  
17 application, development agreement, or other documents to the  
18 department of commerce. An applicant also may request a review of any  
19 denial, rescission, or conditions for approval by a city.

20 (8) The department of commerce may adopt any rules necessary to  
21 implement this section.

22 (9) This section expires July 1, 2029.

23 NEW SECTION. **Sec. 2.** A new section is added to chapter 35A.21  
24 RCW to read as follows:

25 (1) The department of commerce shall provide services to  
26 facilitate the timely resolution of disputes between a code city and:

27 (a) An applicant seeking a project permit or development  
28 agreement to site or construct permanent supportive housing,  
29 transitional housing, indoor emergency housing, or indoor emergency  
30 shelters; or

31 (b) A developer for permanent supportive housing, transitional  
32 housing, indoor emergency housing, or indoor emergency shelters that  
33 alleges a zoning ordinance or development regulations adopted by the  
34 code city prevents the siting of housing or shelter in violation of  
35 RCW 35A.21.430, 36.130.020, or, if applicable, 36.70A.070(2)(c).

36 (2) A code city, an applicant, or a developer as specified in  
37 subsection (1) of this section may request the department of commerce  
38 provide facilitation services to resolve issues of concern with a

1 proposed development of permanent supportive housing, transitional  
2 housing, indoor emergency housing, or indoor emergency shelters.

3 (3) If dispute resolution is unsuccessful, the code city must  
4 submit the project permit application, any development agreement, any  
5 zoning ordinance and related development regulations, or any other  
6 relevant documents, including a statement of the reason for any  
7 denial, rescission, or conditions of approval, the requirements  
8 necessary to fulfill the development agreement or development  
9 regulations, or how the adopted ordinance and development regulations  
10 comply with RCW 35A.21.430, to the department of commerce for review.

11 (4)(a) If the department of commerce finds that the final  
12 decision on the project permit application, a development agreement,  
13 or another permitting process violates RCW 35A.21.430, 36.130.020,  
14 or, if applicable, 36.70A.070(2)(c), the department shall reverse the  
15 final decision and return it to the code city for approval,  
16 modification, or further proceedings.

17 (b) If the department of commerce finds that a zoning ordinance  
18 or development regulations adopted by the code city prevents the  
19 siting of housing or shelter in violation of RCW 35A.21.430,  
20 36.130.020, or, if applicable, 36.70A.070(2)(c), the department must  
21 issue a determination of noncompliance.

22 (5)(a) The final decision of the department of commerce under  
23 subsection (4)(a) of this section may be appealed as a land use  
24 decision under chapter 36.70C RCW by the code city, the applicant, or  
25 any other person with standing under RCW 36.70C.060.

26 (b) The final decision of the department of commerce under  
27 subsection (4)(b) of this section may be appealed to the growth  
28 management hearings board by filing a petition as provided in RCW  
29 36.70A.290.

30 (6)(a) The department shall notify the state treasurer if a code  
31 city fails to:

32 (i) Issue a project permit application, a development agreement,  
33 or another permit or process decision within 30 days of a  
34 determination of noncompliance under subsection (4)(a) of this  
35 section; or

36 (ii) Amend its zoning ordinance and related development  
37 regulations to comply with RCW 35A.21.430, 36.130.020, and, if  
38 applicable, 36.70A.070(2)(c) within 30 days of a determination of  
39 noncompliance under subsection (4)(b) of this section.

1 (b) Upon notification, the state treasurer shall withhold the  
2 following revenues to which a code city is entitled: (i) The motor  
3 vehicle fuel tax, as provided in chapter 82.38 RCW; (ii) the  
4 transportation improvement account, as provided in RCW 47.26.084;  
5 (iii) the rural arterial trust account, as provided in RCW 36.79.150;  
6 (iv) the sales and use tax, as provided in chapter 82.14 RCW; (v) the  
7 liquor profit tax, as provided in RCW 66.08.190; and (vi) the liquor  
8 excise tax, as provided in RCW 82.08.170.

9 (c) The state treasurer shall resume distributions of revenues  
10 withheld under (b) of this subsection when the code city issues the  
11 project permit application or amends its zoning ordinance and related  
12 development regulations.

13 (7) An applicant submitting a project permit application, a  
14 development agreement, or other documents for permanent supportive  
15 housing, transitional housing, indoor emergency housing, or indoor  
16 emergency shelters may submit a copy of the project permit  
17 application, development agreement, or other documents to the  
18 department of commerce. An applicant also may request a review of any  
19 denial, rescission, or conditions for approval by a code city.

20 (8) The department of commerce may adopt any rules necessary to  
21 implement this section.

22 (9) This section expires July 1, 2029.

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