
SUBSTITUTE HOUSE BILL 2474

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 new sections to
4 chapter 35.21 RCW; adding new sections to chapter 35A.21 RCW; and
5 creating a new section.

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)(a) Before adopting any zoning ordinance and related
10 development regulations addressing the reasonable occupancy, spacing,
11 and intensity of use requirements for permanent supportive housing,
12 transitional housing, indoor emergency housing, and indoor emergency
13 shelters, a city must submit the ordinance and regulations to the
14 department of commerce for a determination of compliance with RCW
15 35.21.683, 36.130.020, and, if applicable, 36.70A.070(2)(c).

16 (b) Any zoning ordinance or related development regulations
17 submitted by a city may not take effect until the department issues a
18 final decision determining that the ordinance and regulations comply
19 with RCW 35.21.683, 36.130.020, and, if applicable, 36.70A.070(2)(c).

20 (c) The adoption of any zoning ordinance and related development
21 regulations by a city subject to the requirements in this section may

1 not be appealed until the department issues a final decision on
2 compliance. Any appeal of the department's final decision must comply
3 with subsection (6) of this section.

4 (2) Notice of intent to apply. (a) Not less than 120 days prior
5 to applying for a determination of compliance, the city must notify
6 the department of commerce in writing that it intends to apply.

7 (b) The department shall promptly publish notice in the
8 Washington state register that a city has notified the department of
9 its intent to apply for a determination of compliance, and the
10 department shall post a copy of the notice on the department's
11 website.

12 (c) The department shall review the proposed zoning ordinance and
13 development regulations prior to final adoption by the city and
14 advise the city of the actions necessary to receive a determination
15 of compliance.

16 (d) The department may consult with other relevant state agencies
17 in making its determination.

18 (3) Application procedures. (a) After taking final action to
19 adopt any zoning ordinance and development regulations, a city
20 subject to the requirements in this section must apply for a
21 determination of compliance. A city must submit its application to
22 the department of commerce within 10 days of taking final action.

23 (b) An application must include, at a minimum, the following:

24 (i) A cover letter from the legislative authority requesting a
25 determination of compliance;

26 (ii) A copy of the adopted ordinance or resolution taking the
27 legislative action or actions required to adopt the ordinance and
28 development regulations;

29 (iii) A statement explaining how the adopted ordinance and
30 development regulations comply with RCW 35.21.683; and

31 (iv) A copy of the record developed by the city at any public
32 meetings or public hearings at which action was taken on zoning
33 ordinance and development regulations.

34 (c) For purposes of this subsection, "action" and "meeting" have
35 the same meanings as in RCW 42.30.020.

36 (4) Review procedures. (a) Within 120 days of the date of receipt
37 of an application, the department of commerce shall strive to issue a
38 final decision determining whether the ordinance and development
39 regulations comply with RCW 35.21.683, 36.130.020, and, if
40 applicable, 36.70A.070(2)(c).

1 (b) The department must issue its final decision in the form of a
2 written statement, including findings of fact and conclusions, and
3 noting the date of the issuance of its decision. The department's
4 issued decision must conspicuously and plainly state that it is the
5 department's final decision.

6 (c) The department shall promptly publish its final decision as
7 follows:

8 (i) Notify the city in writing of its decision;

9 (ii) Publish a notice of action in the Washington state register;

10 (iii) Post a notice of its decision on the agency website; and

11 (iv) Notify other relevant state agencies regarding the decision.

12 (5) (a) The department of commerce shall issue a determination of
13 compliance unless it determines that the zoning ordinance and
14 development regulations are not consistent with RCW 35.21.683,
15 36.130.020, and, if applicable, 36.70A.070(2)(c).

16 (b) Within six months of the effective date of this section, the
17 department shall publish a model ordinance that jurisdictions must
18 meet in order to comply with this section.

19 (6) The department of commerce's final decision may be appealed
20 according to the following provisions:

21 (a) The department's final decision may be appealed to the growth
22 management hearings board by filing a petition as provided in RCW
23 36.70A.290.

24 (b) A decision of the growth management hearings board concerning
25 an appeal of the department's final decision must be based solely on
26 whether the zoning ordinance and related development regulations
27 comply with RCW 35.21.683, 36.130.020, and, if applicable,
28 36.70A.070(2)(c).

29 (7) (a) The department shall publish and regularly update a local
30 government compliance list that includes, at a minimum, the following
31 information for each city subject to the requirements in this
32 section:

33 (i) Whether the city has applied for a determination of
34 compliance and, if so, the date of the application; and

35 (ii) Whether the department has issued a final decision on
36 compliance for the city and, if so, the nature of the decision, the
37 date that the decision was issued, and the status or outcome of any
38 appeals.

39 (b) The local government compliance list must be made publicly
40 available on the department's website.

1 (8) A city subject to the requirements in this section may not
2 deny a project permit application for permanent supportive housing,
3 transitional housing, indoor emergency housing, or indoor emergency
4 shelters, or approve a project permit application for permanent
5 supportive housing, transitional housing, indoor emergency housing,
6 or indoor emergency shelters with conditions or restrictions that
7 have a substantial adverse impact on the viability of the
8 development, unless at least one of the following conditions is met:

9 (a) The city has received a final decision from the department of
10 commerce or a court of competent jurisdiction determining that its
11 zoning ordinance and development regulations comply with RCW
12 35.21.683, 36.130.020, and, if applicable, 36.70A.070 (2) (c);

13 (b) The denial of the permanent supportive housing, transitional
14 housing, indoor emergency housing, or indoor emergency shelters, or
15 the approval of the permanent supportive housing, transitional
16 housing, indoor emergency housing, or indoor emergency shelters with
17 conditions or restrictions that have a substantial adverse impact on
18 the viability of the development, is required in order to comply with
19 specific state or federal law;

20 (c) The permanent supportive housing, transitional housing,
21 indoor emergency housing, or indoor emergency shelters is located in
22 a critical area, critical area buffer, or in an area where
23 residential uses are not allowed by the applicable shoreline master
24 program;

25 (d) The permanent supportive housing, transitional housing,
26 indoor emergency housing, or indoor emergency shelters development or
27 proposed development site is located in an area where the local
28 jurisdiction's zoning ordinance and, if applicable, comprehensive
29 plan does not permit hotels and, in the case of permanent supportive
30 housing or transitional housing, residential dwelling units; or

31 (e) The city has adopted an impact fee exemption for low-income
32 housing as authorized by RCW 82.02.060 and the conditions for
33 approval of the permanent supportive housing, transitional housing,
34 indoor emergency housing, or indoor emergency shelters were adopted
35 by ordinance prior to the date a complete application was submitted
36 for land use or building permits for the housing or shelter
37 development.

38 (9) The department of commerce may adopt any rules necessary to
39 implement this section.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 35.21

2 RCW to read as follows:

3 (1) Before issuing a final decision on a project permit
4 application for permanent supportive housing, transitional housing,
5 indoor emergency housing, or indoor emergency shelters, a city must
6 offer to participate in a dispute resolution process with the project
7 applicant.

8 (2) If dispute resolution is unsuccessful or the city issues a
9 final decision on the project permit application, the city must
10 submit the project permit application and any related documents,
11 including a statement of the reason for the denial or rescission, to
12 the department of commerce for review.

13 (3) If the department of commerce finds that the final decision
14 on the project permit application violates RCW 35.21.683, 36.130.020,
15 or, if applicable, 36.70A.070(2)(c), the department may affirm or
16 reverse the final decision and return it to the city for modification
17 or further proceedings.

18 (4) The final decision of the department of commerce under this
19 section may be appealed as a land use decision under chapter 36.70C
20 RCW by the city, the applicant, or any other person with standing
21 under RCW 36.70C.060.

22 (5) If a city fails to issue a project permit application within
23 30 days of a determination of noncompliance by the department of
24 commerce, the department shall notify the state treasurer. Upon
25 notification, the state treasurer shall withhold the following
26 revenues to which a city is entitled to: The motor vehicle fuel tax,
27 as provided in chapter 82.38 RCW; the transportation improvement
28 account, as provided in RCW 47.26.084; the rural arterial trust
29 account, as provided in RCW 36.79.150; the sales and use tax, as
30 provided in chapter 82.14 RCW; the liquor profit tax, as provided in
31 RCW 66.08.190; and the liquor excise tax, as provided in RCW
32 82.08.170. The state treasurer shall resume distributions of withheld
33 revenues when the city issues the project permit application.

34 (6) An applicant submitting a project permit application for
35 permanent supportive housing, transitional housing, indoor emergency
36 housing, or indoor emergency shelters may submit a copy of the
37 project permit application to the department of commerce. An
38 applicant also may request a review of any denial, rescission, or
39 conditions for approval by a city.

1 (7) The department of commerce may adopt any rules necessary to
2 implement this section.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 35A.21
4 RCW to read as follows:

5 (1)(a) Before adopting any zoning ordinance and related
6 development regulations addressing the reasonable occupancy, spacing,
7 and intensity of use requirements for permanent supportive housing,
8 transitional housing, indoor emergency housing, and indoor emergency
9 shelters, a city must submit the ordinance and regulations to the
10 department of commerce for a determination of compliance with RCW
11 35A.21.430, 36.130.020, and, if applicable, 36.70A.070(2)(c).

12 (b) Any zoning ordinance or related development regulations
13 submitted by a city may not take effect until the department issues a
14 final decision determining that the ordinance and regulations comply
15 with RCW 35A.21.430, 36.130.020, and, if applicable,
16 36.70A.070(2)(c).

17 (c) The adoption of any zoning ordinance and related development
18 regulations by a city subject to the requirements in this section may
19 not be appealed until the department issues a final decision on
20 compliance. Any appeal of the department's final decision must comply
21 with subsection (6) of this section.

22 (2) Notice of intent to apply. (a) Not less than 120 days prior
23 to applying for a determination of compliance, the city must notify
24 the department of commerce in writing that it intends to apply.

25 (b) The department shall promptly publish notice in the
26 Washington state register that a city has notified the department of
27 its intent to apply for a determination of compliance, and the
28 department shall post a copy of the notice on the department's
29 website.

30 (c) The department shall review the proposed zoning ordinance and
31 development regulations prior to final adoption by the city and
32 advise the city of the actions necessary to receive a determination
33 of compliance.

34 (d) The department may consult with other relevant state agencies
35 in making its determination.

36 (3) Application procedures. (a) After taking final action to
37 adopt any zoning ordinance and development regulations, a city
38 subject to the requirements in this section must apply for a

1 determination of compliance. A city must submit its application to
2 the department of commerce within 10 days of taking final action.

3 (b) An application must include, at a minimum, the following:

4 (i) A cover letter from the legislative authority requesting a
5 determination of compliance;

6 (ii) A copy of the adopted ordinance or resolution taking the
7 legislative action or actions required to adopt the ordinance and
8 development regulations;

9 (iii) A statement explaining how the adopted ordinance and
10 development regulations comply with RCW 35A.21.430; and

11 (iv) A copy of the record developed by the city at any public
12 meetings or public hearings at which action was taken on zoning
13 ordinance and development regulations.

14 (c) For purposes of this subsection, "action" and "meeting" have
15 the same meanings as in RCW 42.30.020.

16 (4) Review procedures. (a) Within 120 days of the date of receipt
17 of an application, the department of commerce shall strive to issue a
18 final decision determining whether the ordinance and development
19 regulations comply with RCW 35A.21.430, 36.130.020, and, if
20 applicable, 36.70A.070(2)(c).

21 (b) The department must issue its final decision in the form of a
22 written statement, including findings of fact and conclusions, and
23 noting the date of the issuance of its decision. The department's
24 issued decision must conspicuously and plainly state that it is the
25 department's final decision.

26 (c) The department shall promptly publish its final decision as
27 follows:

28 (i) Notify the city in writing of its decision;

29 (ii) Publish a notice of action in the Washington state register;

30 (iii) Post a notice of its decision on the agency website; and

31 (iv) Notify other relevant state agencies regarding the decision.

32 (5)(a) The department of commerce shall issue a determination of
33 compliance unless it determines that the zoning ordinance and
34 development regulations are not consistent with RCW 35A.21.430,
35 36.130.020, and, if applicable, 36.70A.070(2)(c).

36 (b) Within six months of the effective date of this section, the
37 department shall publish a model ordinance that jurisdictions must
38 meet in order to comply with this section.

39 (6) The department of commerce's final decision may be appealed
40 according to the following provisions:

1 (a) The department's final decision may be appealed to the growth
2 management hearings board by filing a petition as provided in RCW
3 36.70A.290.

4 (b) A decision of the growth management hearings board concerning
5 an appeal of the department's final decision must be based solely on
6 whether the zoning ordinance and related development regulations
7 comply with RCW 35A.21.430, 36.130.020, and, if applicable,
8 36.70A.070(2)(c).

9 (7)(a) The department of commerce shall publish and regularly
10 update a local government compliance list that includes, at minimum,
11 the following information for each city subject to the requirements
12 in this section:

13 (i) Whether the city has applied for a determination of
14 compliance and, if so, the date of the application; and

15 (ii) Whether the department has issued a final decision on
16 compliance for the city and, if so, the nature of the decision, the
17 date that the decision was issued, and the status or outcome of any
18 appeals.

19 (b) The local government compliance list must be made publicly
20 available on the department's website.

21 (8) A city subject to the requirements in this section may not
22 deny a project permit application for permanent supportive housing,
23 transitional housing, indoor emergency housing, or indoor emergency
24 shelters, or approve a project permit application for permanent
25 supportive housing, transitional housing, indoor emergency housing,
26 or indoor emergency shelters with conditions or restrictions that
27 have a substantial adverse impact on the viability of the
28 development, unless at least one of the following conditions is met:

29 (a) The city has received a final decision from the department of
30 commerce or a court of competent jurisdiction determining that its
31 zoning ordinance and development regulations comply with RCW
32 35A.21.430, 36.130.020, and, if applicable, 36.70A.070(2)(c);

33 (b) The denial of the permanent supportive housing, transitional
34 housing, indoor emergency housing, or indoor emergency shelters, or
35 the approval of the permanent supportive housing, transitional
36 housing, indoor emergency housing, or indoor emergency shelters with
37 conditions or restrictions that have a substantial adverse impact on
38 the viability of the development, is required in order to comply with
39 specific state or federal law;

1 (c) The permanent supportive housing, transitional housing,
2 indoor emergency housing, or indoor emergency shelters is located in
3 a critical area, critical area buffer, or in an area where
4 residential uses are not allowed by the applicable shoreline master
5 program;

6 (d) The permanent supportive housing, transitional housing,
7 indoor emergency housing, or indoor emergency shelters development or
8 proposed development site is located in an area where the local
9 jurisdiction's zoning ordinance and, if applicable, comprehensive
10 plan does not permit hotels and, in the case of permanent supportive
11 housing or transitional housing, residential dwelling units; or

12 (e) The city has adopted an impact fee exemption for low-income
13 housing as authorized by RCW 82.02.060 and the conditions for
14 approval of the permanent supportive housing, transitional housing,
15 indoor emergency housing, or indoor emergency shelters were adopted
16 by ordinance prior to the date a complete application was submitted
17 for land use or building permits for the housing or shelter
18 development.

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

21 NEW SECTION. **Sec. 4.** A new section is added to chapter 35A.21
22 RCW to read as follows:

23 (1) Before issuing a final decision on a project permit
24 application for permanent supportive housing, transitional housing,
25 indoor emergency housing, or indoor emergency shelters, a city must
26 offer to participate in a dispute resolution process with the project
27 applicant.

28 (2) If dispute resolution is unsuccessful or the city issues a
29 final decision on the project permit application, the city must
30 submit the project permit application and any related documents,
31 including a statement of the reason for the denial or rescission, to
32 the department of commerce for review.

33 (3) If the department of commerce finds that the final decision
34 on the project permit application violates RCW 35A.21.430,
35 36.130.020, or, if applicable, 36.70A.070(2)(c), the department may
36 affirm or reverse the final decision and return it to the city for
37 modification or further proceedings.

38 (4) The final decision of the department of commerce under this
39 section may be appealed as a land use decision under chapter 36.70C

1 RCW by the city, the applicant, or any other person with standing
2 under RCW 36.70C.060.

3 (5) If a city fails to issue a project permit application within
4 30 days of a determination of noncompliance by the department of
5 commerce, the department shall notify the state treasurer. Upon
6 notification, the state treasurer shall withhold the following
7 revenues to which a city is entitled to: The motor vehicle fuel tax,
8 as provided in chapter 82.38 RCW; the transportation improvement
9 account, as provided in RCW 47.26.084; the rural arterial trust
10 account, as provided in RCW 36.79.150; the sales and use tax, as
11 provided in chapter 82.14 RCW; the liquor profit tax, as provided in
12 RCW 66.08.190; and the liquor excise tax, as provided in RCW
13 82.08.170. The state treasurer shall resume distributions of withheld
14 revenues when the city issues the project permit application.

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

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

23 NEW SECTION. **Sec. 5.** If specific funding for the purposes of
24 this act, referencing this act by bill or chapter number, is not
25 provided by June 30, 2024, in the omnibus appropriations act, this
26 act is null and void.

--- END ---