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**ENGROSSED SUBSTITUTE SENATE BILL 5466**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Lias, Gildon, Kuderer, Lovelett, MacEwen, Mullet, Braun, Billig, Dhingra, Frame, Hunt, Kauffman, Nguyen, Nobles, Pedersen, Saldaña, Salomon, Shewmake, Stanford, Valdez, Van De Wege, and C. Wilson; by request of Office of the Governor)

READ FIRST TIME 02/24/23.

1       AN ACT Relating to promoting transit-oriented development;  
2 amending RCW 36.70A.030, 36.70A.500, 36.70A.620, and 43.21C.229;  
3 adding new sections to chapter 47.01 RCW; adding a new section to  
4 chapter 36.70A RCW; adding a new section to chapter 64.38 RCW; adding  
5 a new section to chapter 64.90 RCW; adding a new section to chapter  
6 64.34 RCW; adding a new section to chapter 64.32 RCW; and creating a  
7 new section.

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

9       NEW SECTION.   **Sec. 1.** The legislature finds that the state has  
10 made groundbreaking investments in state-of-the-art mass transit and  
11 intermodal infrastructure. The legislature finds that to maximize the  
12 state's return on these investments, land use policies and practices  
13 must keep pace with progress being implemented in transportation  
14 infrastructure development. The legislature also intends new  
15 development to reflect the state's commitment to vibrant, walkable,  
16 accessible urban environments that improve health, expand multimodal  
17 transportation options, and include varied community facilities,  
18 parks, and green spaces that are open to people of all income levels.

19       The legislature recognizes that cities planning under chapter  
20 36.70A RCW require direction and technical assistance to ensure the  
21 benefits of state transportation investments are maximized and shared

1 equitably while avoiding unnecessary programmatic and cost burdens to  
2 local governments in their comprehensive planning, code enactment,  
3 and permit processing workloads. The legislature further recognizes  
4 that regulatory flexibility and local control are also important  
5 features of optimal planning outcomes.

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

8 (1) The department must create a new division within its agency  
9 or expand an existing division within its agency to do the following:

10 (a) Provide technical assistance and award planning grants to  
11 cities to implement the requirements under section 6 of this act;

12 (b) Provide compliance review of any transit-oriented development  
13 regulations adopted consistent with section 6 of this act; and

14 (c) Mediate or help resolve disputes between the department,  
15 local governments, and project proponents regarding land use  
16 decisions and processing development permit applications.

17 (2) The department must adopt any rules necessary to implement  
18 this section.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.01  
20 RCW to read as follows:

21 (1) The department, in consultation with the department of  
22 commerce, must establish and administer a competitive grant program  
23 to assist in the financing of housing projects within rapid transit  
24 corridors.

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

30 (3)(a) Except as provided in (b) of this subsection, eligible  
31 housing projects must meet the following requirements:

32 (i) Be within one-quarter mile of a rapid transit corridor. For  
33 purposes of this section, "rapid transit corridor" includes light  
34 rail, commuter rail, bus rapid transit, and bus stops that meet  
35 certain high-use thresholds as defined in rule;

36 (ii) Comply with floor area ratio or net density minimums as  
37 defined in rule;

38 (iii) Produce at least 100 units of housing; and

1 (iv) Include a covenant on the property requiring at least 20  
2 percent of units remain affordable for households with incomes at or  
3 below 80 percent of area median income for at least 99 years.

4 (b) No more than five percent of grant funds may be awarded to  
5 housing projects within rapid transit corridors that meet the  
6 requirements under (a) of this subsection, except for requirements  
7 under (a)(i) or (iii) of this subsection.

8 (4) The department must prioritize eligible projects by occupancy  
9 date, with a target occupancy date of December 31, 2025. The  
10 department must also consider the following criteria when  
11 prioritizing projects:

12 (a) Are comprised of the largest percentage of affordable units;

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

15 (c) Do not include costs related to land acquisition;

16 (d) Include land acquired at a reduced price or without cost;

17 (e) Abide by antidisplacement measures, if appropriate;

18 (f) Submitted by community-based housing developers;

19 (g) Include units with additional bedrooms or intended for  
20 occupancy by families with multiple dependents; or

21 (h) Have acquired all necessary permits.

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

25 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.01  
26 RCW to read as follows:

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

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

33 (3) Expenditures from the account may be used only for the  
34 following:

35 (a) Administration of the competitive grant program under section  
36 3 of this act, including any technical assistance provided by the  
37 department to eligible entities; and

1 (b) Costs related to technical assistance, awarding planning  
2 grants, compliance review, and resolution services provided by the  
3 department under section 2 of this act.

4 (4) Only the secretary or the secretary's designee may authorize  
5 expenditures from the account. The account is subject to allotment  
6 procedures under chapter 43.88 RCW, but an appropriation is not  
7 required for expenditures.

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

10 Unless the context clearly requires otherwise, the definitions in  
11 this section apply throughout this chapter.

12 (1) "Adopt a comprehensive land use plan" means to enact a new  
13 comprehensive land use plan or to update an existing comprehensive  
14 land use plan.

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

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

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

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

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

35 (5) "Comprehensive land use plan," "comprehensive plan," or  
36 "plan" means a generalized coordinated land use policy statement of  
37 the governing body of a county or city that is adopted pursuant to  
38 this chapter.

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

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

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

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

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

33 (11) "Extremely low-income household" means a single person,  
34 family, or unrelated persons living together whose adjusted income is  
35 at or below (~~thirty~~) 30 percent of the median household income  
36 adjusted for household size, for the county where the household is  
37 located, as reported by the United States department of housing and  
38 urban development.

39 (12) "Floor area ratio" means a measure of development intensity  
40 equal to building square footage divided by property square footage.

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

16        (~~(13)~~) (14) "Freight rail dependent uses" means buildings and  
17 other infrastructure that are used in the fabrication, processing,  
18 storage, and transport of goods where the use is dependent on and  
19 makes use of an adjacent short line railroad. Such facilities are  
20 both urban and rural development for purposes of this chapter.  
21 "Freight rail dependent uses" does not include buildings and other  
22 infrastructure that are used in the fabrication, processing, storage,  
23 and transport of coal, liquefied natural gas, or "crude oil" as  
24 defined in RCW 90.56.010.

25        (~~(14)~~) (15) "Frequent bus stop" means a fixed route transit  
26 stop providing frequent transit service that operates seven days per  
27 week with a minimum of three buses per hour for a span of at least 10  
28 hours per day during weekdays.

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

34        (~~(15)~~) (17) "Long-term commercial significance" includes the  
35 growing capacity, productivity, and soil composition of the land for  
36 long-term commercial production, in consideration with the land's  
37 proximity to population areas, and the possibility of more intense  
38 uses of the land.

39        (~~(16)~~) (18) "Low-income household" means a single person,  
40 family, or unrelated persons living together whose adjusted income is

1 at or below (~~eighty~~) 80 percent of the median household income  
2 adjusted for household size, for the county where the household is  
3 located, as reported by the United States department of housing and  
4 urban development.

5 (~~(17)~~) (19) "Major transit station" means a site within an  
6 urban growth area that is, or has been funded for development as:

7 (a) A stop on a high capacity transportation system funded or  
8 expanded under chapter 81.104 RCW;

9 (b) A commuter rail stop; or

10 (c) A stop on rail or fixed guideway systems, including  
11 transitways.

12 (20) "Major transit stop" means a site within an urban growth  
13 area that is, or has been funded for development as:

14 (a) A major transit station characterized by fostering the  
15 interconnection of multiple transit routes, including at least one of  
16 the following modes: High capacity transit, light rail, or commuter  
17 rail; or

18 (b) A stop on a high capacity transit route or a route that runs  
19 on high occupancy vehicle lanes.

20 (21) "Minerals" include gravel, sand, and valuable metallic  
21 substances.

22 (~~(18)~~) (22) "Moderate-income household" means a single person,  
23 family, or unrelated persons living together whose adjusted income is  
24 at or below 120 percent of the median household income adjusted for  
25 household size, for the county where the household is located, as  
26 reported by the United States department of housing and urban  
27 development.

28 (~~(19)~~) (23) "Permanent supportive housing" is subsidized,  
29 leased housing with no limit on length of stay that prioritizes  
30 people who need comprehensive support services to retain tenancy and  
31 utilizes admissions practices designed to use lower barriers to entry  
32 than would be typical for other subsidized or unsubsidized rental  
33 housing, especially related to rental history, criminal history, and  
34 personal behaviors. Permanent supportive housing is paired with on-  
35 site or off-site voluntary services designed to support a person  
36 living with a complex and disabling behavioral health or physical  
37 health condition who was experiencing homelessness or was at imminent  
38 risk of homelessness prior to moving into housing to retain their  
39 housing and be a successful tenant in a housing arrangement, improve  
40 the resident's health status, and connect the resident of the housing

1 with community-based health care, treatment, or employment services.  
2 Permanent supportive housing is subject to all of the rights and  
3 responsibilities defined in chapter 59.18 RCW.

4 ~~((20))~~ (24) "Public facilities" include streets, roads,  
5 highways, sidewalks, street and road lighting systems, traffic  
6 signals, domestic water systems, storm and sanitary sewer systems,  
7 parks and recreational facilities, and schools.

8 ~~((21))~~ (25) "Public services" include fire protection and  
9 suppression, law enforcement, public health, education, recreation,  
10 environmental protection, and other governmental services.

11 ~~((22))~~ (26) "Recreational land" means land so designated under  
12 RCW 36.70A.1701 and that, immediately prior to this designation, was  
13 designated as agricultural land of long-term commercial significance  
14 under RCW 36.70A.170. Recreational land must have playing fields and  
15 supporting facilities existing before July 1, 2004, for sports played  
16 on grass playing fields.

17 ~~((23))~~ (27) "Rural character" refers to the patterns of land  
18 use and development established by a county in the rural element of  
19 its comprehensive plan:

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

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

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

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

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

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

32 (g) That are consistent with the protection of natural surface  
33 water flows and groundwater and surface water recharge and discharge  
34 areas.

35 ~~((24))~~ (28) "Rural development" refers to development outside  
36 the urban growth area and outside agricultural, forest, and mineral  
37 resource lands designated pursuant to RCW 36.70A.170. Rural  
38 development can consist of a variety of uses and residential  
39 densities, including clustered residential development, at levels  
40 that are consistent with the preservation of rural character and the



1 requirements of the rural element. Rural development does not refer  
2 to agriculture or forestry activities that may be conducted in rural  
3 areas.

4 ~~((25))~~ (29) "Rural governmental services" or "rural services"  
5 include those public services and public facilities historically and  
6 typically delivered at an intensity usually found in rural areas, and  
7 may include domestic water systems, fire and police protection  
8 services, transportation and public transit services, and other  
9 public utilities associated with rural development and normally not  
10 associated with urban areas. Rural services do not include storm or  
11 sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).

12 ~~((26))~~ (30) "Short line railroad" means those railroad lines  
13 designated class II or class III by the United States surface  
14 transportation board.

15 ~~((27))~~ (31) "Station area" means all parcels that are (a) fully  
16 within an urban growth area and (b) fully or partially within a  
17 three-quarter mile walking distance of a major transit stop, or fully  
18 or partially within a half-mile walking distance of a frequent bus  
19 stop. A city planning under RCW 36.70A.040 may adopt a station area  
20 variance, but only after consultation with and approval by the  
21 department of transportation.

22 (32) "Station hub" means all parcels that are (a) fully within an  
23 urban growth area and (b) fully or partially within a one-quarter  
24 mile walking distance of a major transit station. A city planning  
25 under RCW 36.70A.040 may adopt a station hub variance, but only after  
26 consultation with and approval by the department of transportation.

27 (33) "Transit-oriented density" means a floor area ratio of at  
28 least 4.0 for all uses that are permitted in the station area, and a  
29 floor area of at least 6.0 for all uses that are permitted in the  
30 station hub.

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

38 ~~((28))~~ (35) "Urban growth" refers to growth that makes  
39 intensive use of land for the location of buildings, structures, and  
40 impermeable surfaces to such a degree as to be incompatible with the

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

11 ~~((29))~~ (36) "Urban growth areas" means those areas designated  
12 by a county pursuant to RCW 36.70A.110.

13 ~~((30))~~ (37) "Very low-income household" means a single person,  
14 family, or unrelated persons living together whose adjusted income is  
15 at or below ~~((fifty))~~ 50 percent of the median household income  
16 adjusted for household size, for the county where the household is  
17 located, as reported by the United States department of housing and  
18 urban development.

19 ~~((31))~~ (38) "Wetland" or "wetlands" means areas that are  
20 inundated or saturated by surface water or groundwater at a frequency  
21 and duration sufficient to support, and that under normal  
22 circumstances do support, a prevalence of vegetation typically  
23 adapted for life in saturated soil conditions. Wetlands generally  
24 include swamps, marshes, bogs, and similar areas. Wetlands do not  
25 include those artificial wetlands intentionally created from  
26 nonwetland sites, including, but not limited to, irrigation and  
27 drainage ditches, grass-lined swales, canals, detention facilities,  
28 wastewater treatment facilities, farm ponds, and landscape amenities,  
29 or those wetlands created after July 1, 1990, that were  
30 unintentionally created as a result of the construction of a road,  
31 street, or highway. Wetlands may include those artificial wetlands  
32 intentionally created from nonwetland areas created to mitigate  
33 conversion of wetlands.

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

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

1           (2) Within any station area or station hub, any maximum floor  
2 area ratio otherwise enacted or enforceable under this section must  
3 include an increased density bonus of 50 percent for affordable  
4 housing for households with incomes at or below 60 percent area  
5 median income, for permanent supportive housing, or for long-term  
6 inpatient care as defined in RCW 71.24.025. Any floor area within a  
7 station area that is reserved for use by (a) a child care facility as  
8 defined in RCW 35.63.170 or (b) a small business as defined in RCW  
9 19.85.020, and residential units in multifamily housing that includes  
10 at least three bedrooms, must not be counted toward applicable floor  
11 area ratio limits.

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

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

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

26           (i) The average maximum floor area ratio of all buildable land  
27 within a station area or station hub is no less than the applicable  
28 transit-oriented density; and

29           (ii) No part of a station hub is subject to a maximum floor area  
30 ratio that is less than 1.0, and no part of a station area is subject  
31 to a maximum floor area ratio that is less than 0.5.

32           (4) Any city planning under RCW 36.70A.040 that has, as of the  
33 effective date of this section, enacted any development regulation  
34 that imposes within any station area or station hub (a) a maximum  
35 floor area ratio of less than the applicable transit-oriented density  
36 or (b) a maximum residential density measured in residential units  
37 per acre or other metric of land area, the city must enforce and  
38 apply such development regulation consistent with the requirements of  
39 this section.

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

7 (b) This subsection (5) does not apply to development standards  
8 contained in a shoreline master program or critical area ordinance,  
9 or to any parcel that:

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

13 (ii) Is listed in the Washington heritage register described in  
14 RCW 27.34.220 or the national register of historic places.

15 (6) Any city subject to the requirements of this section may  
16 apply to the department of transportation for planning grants and  
17 consult with the department of transportation for purposes of  
18 obtaining technical assistance and compliance review with development  
19 regulation adoption, pursuant to section 2 of this act.

20 (7) Nothing in this section requires alteration, displacement, or  
21 limitation of industrial uses or industrial areas within the urban  
22 growth area.

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

27 (b) This section does not modify, limit, or supersede  
28 requirements under chapter 64.55 RCW.

29 (9) A city planning under RCW 36.70A.040 must comply with the  
30 requirements of this section, and collaborate with federally  
31 recognized tribes in accordance with RCW 36.70A.040(8) regarding such  
32 requirements, by the time of its next periodic comprehensive plan  
33 update required under RCW 36.70A.130.

34 **Sec. 7.** RCW 36.70A.500 and 2012 1st sp.s. c 1 s 310 are each  
35 amended to read as follows:

36 (1) The department of commerce shall provide management services  
37 for the growth management planning and environmental review fund  
38 created by RCW 36.70A.490. The department shall establish procedures  
39 for fund management. The department shall encourage participation in

1 the grant or loan program by other public agencies. The department  
2 shall develop the grant or loan criteria, monitor the grant or loan  
3 program, and select grant or loan recipients in consultation with  
4 state agencies participating in the grant or loan program through the  
5 provision of grant or loan funds or technical assistance.

6 (2) A grant or loan may be awarded to a county or city that is  
7 required to or has chosen to plan under RCW 36.70A.040 and that is  
8 qualified pursuant to this section. The grant or loan shall be  
9 provided to assist a county or city in paying for the cost of  
10 preparing an environmental analysis under chapter 43.21C RCW, that is  
11 integrated with a comprehensive plan, subarea plan, plan element,  
12 countywide planning policy, development regulation, monitoring  
13 program, or other planning activity adopted under or implementing  
14 this chapter that:

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

17 (b) Encourages use of plans and information developed for  
18 purposes of complying with this chapter to satisfy requirements of  
19 other state programs.

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

22 (a) Demonstrate that it will prepare an environmental analysis  
23 pursuant to chapter 43.21C RCW and subsection (2) of this section  
24 that is integrated with a comprehensive plan, subarea plan, plan  
25 element, countywide planning policy, development regulations,  
26 monitoring program, or other planning activity adopted under or  
27 implementing this chapter;

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

32 (c) Demonstrate that procedures for review of development permit  
33 applications will be based on the integrated plans and environmental  
34 analysis;

35 (d) Include mechanisms to monitor the consequences of growth as  
36 it occurs in the plan area and to use the resulting data to update  
37 the plan, policy, or implementing mechanisms and associated  
38 environmental analysis;

39 (e) Demonstrate substantial progress towards compliance with the  
40 requirements of this chapter. A county or city that is more than six

1 months out of compliance with a requirement of this chapter is deemed  
2 not to be making substantial progress towards compliance; and

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

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

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

10 (b) Identification and monitoring of system capacities for  
11 elements of the built environment, and to the extent appropriate, of  
12 the natural environment;

13 (c) Coordination with state, federal, and tribal governments in  
14 project review;

15 (d) Furtherance of important state objectives related to economic  
16 development, protection of areas of statewide significance, and  
17 siting of essential public facilities;

18 (e) Programs to improve the efficiency and effectiveness of the  
19 permitting process by greater reliance on integrated plans and  
20 prospective environmental analysis;

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

24 (g) Programs to identify environmental impacts and establish  
25 mitigation measures that provide effective means to satisfy  
26 concurrency requirements and establish project consistency with the  
27 plans; or

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

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

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

39 (7)(a) Subject to the availability of funds appropriated to the  
40 growth management planning and environmental review fund established

1 in RCW 36.70A.490 in the omnibus transportation appropriations act  
2 for the purpose of awarding grants to cities to facilitate transit-  
3 oriented development, the department may use such grants to pay for  
4 the costs associated with the preparation of state environmental  
5 policy act environmental impact statements, planned action  
6 ordinances, subarea plans, costs associated with the utilization of  
7 other tools under this chapter or the state environmental policy act,  
8 and the costs of local code adoption and implementation of such  
9 efforts.

10 (b) Grant awards under this subsection (7) may only fund efforts  
11 that address environmental impacts and consequences, alternatives,  
12 and mitigation measures in sufficient detail to allow the analysis to  
13 be adopted in whole or in part by applicants for development permits  
14 within the geographic area analyzed in the plan.

15 (8) In consultation with the department of transportation, the  
16 department shall prioritize applications for grants to facilitate  
17 transit-oriented development under subsection (7) of this section  
18 that maximize the following policy objectives in the area covered by  
19 a proposal:

20 (a) The total number of housing units authorized for new  
21 development in station areas, with specific attention to station  
22 hubs;

23 (b) The proximity and quality of transit access in the area;

24 (c) Plans that exceed applicable transit-oriented densities for  
25 station areas and station hubs;

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

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

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

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

34 (h) Plans designed to maximize and increase the variety of  
35 allowable housing types and expected sale or rental rates; and

36 (i) Organization planning and financing of housing benefit  
37 districts.

38 (9) For purposes of this section, "transit access" includes  
39 walkable access to:

40 (a) Light rail and other fixed guideway rail systems;

- 1       (b) Bus rapid transit;
- 2       (c) High frequency bus service; or
- 3       (d) Park and ride lots.

4       **Sec. 8.** RCW 36.70A.620 and 2020 c 173 s 3 are each amended to  
5 read as follows:

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

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

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



1 infeasible for the unit. A city may require a developer to record a  
2 covenant that prohibits the rental of a unit subject to this parking  
3 restriction for any purpose other than providing for housing for  
4 seniors or people with disabilities.

5 ~~(3) For market rate multifamily housing units that are located  
6 within one-quarter mile of a transit stop that receives transit  
7 service from at least one route that provides service at least four  
8 times per hour for twelve or more hours per day, minimum residential  
9 parking requirements may be no greater than one parking space per  
10 bedroom or .75 space per unit. A city or county may establish a  
11 requirement for the provision of more than one parking space per  
12 bedroom or .75 space per unit if the jurisdiction has determined a  
13 particular housing unit to be in an area with a lack of access to  
14 street parking capacity, physical space impediments, or other reasons  
15 supported by evidence that would make on-street parking infeasible~~

16 ~~for the unit.))~~ (1) To encourage transit-oriented development and  
17 transit use and resulting substantial environmental benefits,  
18 counties and cities planning under RCW 36.70A.040 may not require  
19 off-street parking as a condition of permitting development within a  
20 station area, except for off-street parking that is permanently  
21 marked for the exclusive use of individuals with disabilities.

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

27 (3) The parking provisions of this section do not apply if the  
28 city or county consults with the department of transportation and the  
29 city or county and the department of transportation determine that  
30 the lack of minimum parking requirements in a defined area would make  
31 on-street parking infeasible or unsafe for the authorized units.

32 **Sec. 9.** RCW 43.21C.229 and 2020 c 87 s 1 are each amended to  
33 read as follows:

34 (1) ((In order)) The purpose of this section is to provide cities  
35 and counties with additional flexibility to accommodate infill  
36 development, as well as to facilitate the timely and certain  
37 deployment of sustainable transit-oriented development, and thereby  
38 realize the goals and policies of comprehensive plans adopted  
39 according to chapter 36.70A RCW((7-a)).

1        (2) A city or county planning under RCW 36.70A.040 (~~is~~  
2 ~~authorized by this section to~~) may establish categorical exemptions  
3 from the requirements of this chapter (~~(. An exemption adopted under~~  
4 ~~this section applies even if it differs from the categorical~~  
5 ~~exemptions adopted by rule of the department under RCW~~  
6 ~~43.21C.110(1)(a). An exemption may be adopted by a city or county~~  
7 ~~under this section)~~) if it meets the following criteria:

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

14        (i) Residential development;

15        (ii) Mixed-use development; or

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

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

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

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

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

36        (~~(2) Any~~) (3) Any project action that meets the following  
37 criteria is categorically exempt from the requirements of this  
38 chapter:

39        (a) It is related to a proposed development that would fill in a  
40 station hub or station area as defined in RCW 36.70A.030;

1 (b) It is related to a proposed:

2 (i) Multifamily residential development;

3 (ii) Mixed-use development; or

4 (iii) Commercial development; and

5 (c) It is not inconsistent with the applicable comprehensive  
6 plan, and does not clearly exceed the density or intensity of use  
7 called for in the goals and policies of the applicable comprehensive  
8 plan.

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

16 NEW SECTION. Sec. 10. A new section is added to chapter 64.38  
17 RCW to read as follows:

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

25 NEW SECTION. Sec. 11. A new section is added to chapter 64.90  
26 RCW to read as follows:

27 Declarations and governing documents created after the effective  
28 date of this section and applicable to a common interest community  
29 located fully or partially within a station area as defined in RCW  
30 36.70A.030 may not prohibit the construction or development of  
31 multifamily housing or transit-oriented density that must be  
32 permitted by cities under section 6 of this act or require off-street  
33 parking inconsistent or in conflict with RCW 36.70A.620.

34 NEW SECTION. Sec. 12. A new section is added to chapter 64.34  
35 RCW to read as follows:

36 A declaration created after the effective date of this section  
37 and applicable to an association located fully or partially within a

1 station area as defined in RCW 36.70A.030 may not prohibit the  
2 construction or development of multifamily housing or transit-  
3 oriented density that must be permitted by cities under section 6 of  
4 this act or require off-street parking inconsistent or in conflict  
5 with RCW 36.70A.620.

6 NEW SECTION. **Sec. 13.** A new section is added to chapter 64.32  
7 RCW to read as follows:

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

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