
SECOND SUBSTITUTE HOUSE BILL 1183

State of Washington

69th Legislature

2025 Regular Session

By House Appropriations (originally sponsored by Representatives Duerr, Leavitt, Berry, Parshley, Reed, Ryu, Fitzgibbon, Taylor, Doglio, Berg, and Davis)

READ FIRST TIME 02/28/25.

1 AN ACT Relating to incentivizing affordable and sustainable
2 building practices through building code and development regulation
3 reform; amending RCW 35.21.990, 35A.21.440, and 36.70A.620; and
4 adding new sections to chapter 36.70A RCW.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 36.70A
7 RCW to read as follows:

8 (1) A city or county planning under RCW 36.70A.040 must allow for
9 the following:

10 (a) For retrofits of existing buildings to be used for
11 residential housing:

12 (i) The portion of exterior wall assemblies that includes
13 insulation must be allowed to project up to an additional eight
14 inches into the setbacks on all sides;

15 (ii) The building must be allowed to exceed the maximum allowable
16 roof height by eight inches to accommodate additional insulation; and

17 (iii) Gross floor area must be measured from the interior face of
18 the exterior walls, which includes drywall, as typically depicted on
19 the architectural floor plans.

20 (b) For existing nonconforming buildings already projecting into
21 setbacks, the portion of exterior wall assemblies that include

1 insulation must be allowed to project up to an additional eight
2 inches into the setbacks on all sides if the building is to be used
3 for residential housing.

4 (2) Nothing in this section prohibits a city or county from
5 applying the requirements of the state building code or requires a
6 city or county to allow a setback of less than 36 inches between
7 residential dwelling units.

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A
9 RCW to read as follows:

10 (1) For new construction or the retrofit of existing buildings
11 meeting passive house requirements, a city or county planning under
12 RCW 36.70A.040 must allow for the following:

13 (a) Any required setback must be measured to the outside face of
14 the foundation, and the portion of exterior wall assemblies that
15 include insulation must be allowed to project up to eight inches into
16 setbacks on all sides;

17 (b) The building must be allowed to exceed the maximum allowable
18 roof height by eight inches to accommodate additional insulation; and

19 (c) Gross floor area must be measured from the interior face of
20 the exterior walls, which includes drywall, as typically depicted on
21 the architectural floor plans.

22 (2) For the purposes of this section, "passive house
23 requirements" means the criteria for certification as a passive house
24 by Phius or the international passive house institute.

25 (3) Nothing in this section prohibits a city or county from
26 applying the requirements of the state building code or requires a
27 city or county to allow a setback of less than 36 inches between
28 residential dwelling units.

29 **Sec. 3.** RCW 35.21.990 and 2023 c 285 s 2 are each amended to
30 read as follows:

31 (1)(a) Cities must adopt or amend by ordinance, and incorporate
32 into their development regulations, zoning regulations, and other
33 official controls the requirements of subsection (2) of this section
34 for buildings that are zoned for commercial or mixed use no later
35 than six months after its next periodic comprehensive plan update
36 required under RCW 36.70A.130.

37 (b) The requirements of subsection (2) of this section apply and
38 take effect in any city that has not adopted or amended ordinances,

1 regulations, or other official controls as required under this
2 section by the timeline in (a) of this subsection and supersede,
3 preempt, and invalidate any conflicting local development
4 regulations.

5 (2) Through ordinances, development regulations, zoning
6 regulations, or other official controls as required under subsection
7 (1) of this section, cities may not:

8 (a) Impose a restriction on housing unit density that prevents
9 the addition of housing units at a density up to 50 percent more than
10 what is allowed in the underlying zone if constructed entirely within
11 an existing building envelope in a building located within a zone
12 that permits multifamily housing, provided that generally applicable
13 health and safety standards, including but not limited to building
14 code standards and fire and life safety standards, can be met within
15 the building;

16 (b) Impose parking requirements on the addition of dwelling units
17 or living units added within an existing building, however, cities
18 may require the retention of existing parking that is required to
19 satisfy existing residential parking requirements under local laws
20 and for nonresidential uses that remain after the new units are
21 added;

22 (c) With the exception of emergency housing and transitional
23 housing uses, impose permitting requirements on the use of an
24 existing building for residential purposes beyond those requirements
25 generally applicable to all residential development within the
26 building's zone;

27 (d) Impose design standard requirements, including setbacks, lot
28 coverage, and floor area ratio requirements, on the use of an
29 existing building for residential purposes beyond those requirements
30 generally applicable to all residential development within the
31 building's zone, except as provided in sections 1 and 2 of this act;

32 (e) Impose exterior design or architectural requirements on the
33 residential use of an existing building beyond those necessary for
34 health and safety of the use of the interior of the building or to
35 preserve character-defining streetscapes, unless the building is a
36 designated landmark or is within a historic district established
37 through a local preservation ordinance;

38 (f) Prohibit the addition of housing units in any specific part
39 of a building except ground floor commercial or retail that is along
40 a major pedestrian corridor as defined by each city, unless the

1 addition of the units would violate applicable building codes or
2 health and safety standards;

3 (g) Require unchanged portions of an existing building used for
4 residential purposes to meet the current energy code solely because
5 of the addition of new dwelling units within the building, however,
6 if any portion of an existing building is converted to new dwelling
7 units, each of those new units must meet the requirements of the
8 current energy code;

9 (h) Deny a building permit application for the addition of
10 housing units within an existing building due to nonconformity
11 regarding parking, height, setbacks, elevator size for gurney
12 transport, or modulation, unless the city official with decision-
13 making authority makes written findings that the nonconformity is
14 causing a significant detriment to the surrounding area; or

15 (i) Require a transportation concurrency study under RCW
16 36.70A.070 or an environmental study under chapter 43.21C RCW based
17 on the addition of residential units within an existing building.

18 (3) Nothing in this section requires a city to approve a building
19 permit application for the addition of housing units constructed
20 entirely within an existing building envelope in a building located
21 within a zone that permits multifamily housing in cases in which the
22 building cannot satisfy life safety standards.

23 (4) For the purpose of this section, "existing building" means a
24 building that received a certificate of occupancy at least three
25 years prior to the permit application to add housing units.

26 **Sec. 4.** RCW 35A.21.440 and 2023 c 285 s 1 are each amended to
27 read as follows:

28 (1)(a) Code cities must adopt or amend by ordinance, and
29 incorporate into their development regulations, zoning regulations,
30 and other official controls the requirements of subsection (2) of
31 this section for buildings that are zoned for commercial or mixed use
32 no later than six months after its next periodic comprehensive plan
33 update required under RCW 36.70A.130.

34 (b) The requirements of subsection (2) of this section apply and
35 take effect in any code city that has not adopted or amended
36 ordinances, regulations, or other official controls as required under
37 this section by the timeline in (a) of this subsection and supersede,
38 preempt, and invalidate any conflicting local development
39 regulations.

1 (2) Through ordinances, development regulations, zoning
2 regulations, or other official controls as required under subsection
3 (1) of this section, code cities may not:

4 (a) Impose a restriction on housing unit density that prevents
5 the addition of housing units at a density up to 50 percent more than
6 what is allowed in the underlying zone if constructed entirely within
7 an existing building envelope in a building located within a zone
8 that permits multifamily housing, provided that generally applicable
9 health and safety standards, including but not limited to building
10 code standards and fire and life safety standards, can be met within
11 the building;

12 (b) Impose parking requirements on the addition of dwelling units
13 or living units added within an existing building, however, cities
14 may require the retention of existing parking that is required to
15 satisfy existing residential parking requirements under local laws
16 and for nonresidential uses that remain after the new units are
17 added;

18 (c) With the exception of emergency housing and transitional
19 housing uses, impose permitting requirements on the use of an
20 existing building for residential purposes beyond those requirements
21 generally applicable to all residential development within the
22 building's zone;

23 (d) Impose design standard requirements, including setbacks, lot
24 coverage, and floor area ratio requirements, on the use of an
25 existing building for residential purposes beyond those requirements
26 generally applicable to all residential development within the
27 building's zone, except as provided in sections 1 and 2 of this act;

28 (e) Impose exterior design or architectural requirements on the
29 residential use of an existing building beyond those necessary for
30 health and safety of the use of the interior of the building or to
31 preserve character-defining streetscapes, unless the building is a
32 designated landmark or is within a historic district established
33 through a local preservation ordinance;

34 (f) Prohibit the addition of housing units in any specific part
35 of a building except ground floor commercial or retail that is along
36 a major pedestrian corridor as defined by the code city, unless the
37 addition of the units would violate applicable building codes or
38 health and safety standards;

39 (g) Require unchanged portions of an existing building used for
40 residential purposes to meet the current energy code solely because

1 of the addition of new dwelling units within the building, however,
2 if any portion of an existing building is converted to new dwelling
3 units, each of those new units must meet the requirements of the
4 current energy code;

5 (h) Deny a building permit application for the addition of
6 housing units within an existing building due to nonconformity
7 regarding parking, height, setbacks, elevator size for gurney
8 transport, or modulation, unless the code city official with
9 decision-making authority makes written findings that the
10 nonconformity is causing a significant detriment to the surrounding
11 area; or

12 (i) Require a transportation concurrency study under RCW
13 36.70A.070 or an environmental study under chapter 43.21C RCW based
14 on the addition of residential units within an existing building.

15 (3) Nothing in this section requires a code city to approve a
16 building permit application for the addition of housing units
17 constructed entirely within an existing building envelope in a
18 building located within a zone that permits multifamily housing in
19 cases in which the building cannot satisfy life safety standards.

20 (4) For the purpose of this section, "existing building" means a
21 building that received a certificate of occupancy at least three
22 years prior to the permit application to add housing units.

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

25 (1) A city or county planning under RCW 36.70A.040 must allow a
26 building to exceed any maximum allowable roof height limits by at
27 least 48 inches to accommodate a roof-mounted solar energy panel.

28 (2) For purposes of this section, "solar energy panel" means a
29 panel device or system or combination of panel devices or systems
30 that relies on direct sunlight as an energy source, including a panel
31 device or system or combination of panel devices or systems that
32 collects sunlight for use in:

- 33 (a) The heating or cooling of a structure or building;
- 34 (b) The heating or pumping of water;
- 35 (c) Industrial, commercial, or agricultural processes; or
- 36 (d) The generation of electricity.

37 (3) Nothing in this section prohibits a city or county from
38 applying the requirements of the state building code or requires a

1 city or county to allow a setback of less than 36 inches between
2 residential dwelling units.

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

5 (1) A city or county planning under RCW 36.70A.040 may not
6 require façade modulation or upper-level setbacks as a condition of
7 permitting the following types of residential projects:

- 8 (a) Affordable housing;
- 9 (b) New construction meeting passive house requirements;
- 10 (c) The retrofit of existing buildings meeting passive house
11 requirements;
- 12 (d) The conversion of existing buildings to housing or mixed-use
13 development that includes housing;
- 14 (e) Modular construction; or
- 15 (f) Mass timber construction.

16 (2) For the purposes of this section:

17 (a) "Façade modulation" means a change in building plane, either
18 a recess or a projection, that changes the shape of the exterior
19 massing of the building.

20 (b) "Mass timber construction" means a building with structural
21 components primarily made of mass timber products as defined in RCW
22 19.27.570.

23 (c) "Modular construction" means a multistory residential or
24 commercial building constructed of standardized components produced
25 off-site, which are transported and assembled at a final location.

26 (d) "Passive house requirements" means the criteria for
27 certification as a passive house by Phius or the international
28 passive house institute.

29 (e) "Upper-level setback" means a required distance between the
30 lot line and the building façade applied only to portions of the
31 building above a specified height.

32 NEW SECTION. **Sec. 7.** A new section is added to chapter 36.70A
33 RCW to read as follows:

34 (1) Except as provided in subsection (2) of this section, a city
35 or county planning under RCW 36.70A.040 may not require off-street
36 parking as a condition of permitting the following types of
37 residential projects:

- 38 (a) Affordable housing;

1 (b) New construction or the retrofit of existing buildings
2 meeting passive house requirements;

3 (c) Modular construction; or

4 (d) Mass timber construction.

5 (2) A city or county may require off-street parking if the
6 jurisdiction submits to the department of commerce an empirical study
7 prepared by a credentialed transportation or land use planning expert
8 that clearly demonstrates, and the department finds and certifies,
9 that the application of the parking limitations in subsection (1) of
10 this section will be significantly less safe for vehicle drivers or
11 passengers, pedestrians, or bicyclists than if the jurisdiction's
12 parking requirements were applied. The department must develop
13 guidance to assist cities and counties on items to include in the
14 study.

15 (3) A county may require off-street parking if the county's roads
16 are not developed to the standards for streets and roads adopted by
17 the cities within that county.

18 (4) For the purposes of this section:

19 (a) "Mass timber construction" means a building with structural
20 components primarily made of mass timber products as defined in RCW
21 19.27.570.

22 (b) "Modular construction" means a multistory residential
23 building constructed of standardized components produced off-site,
24 which are transported and assembled at a final location.

25 (c) "Passive house requirements" means the criteria for
26 certification as a passive house by Phius or the international
27 passive house institute.

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

30 In counties and cities planning under RCW 36.70A.040, minimum
31 residential parking requirements mandated by municipal zoning
32 ordinances for housing units constructed after July 1, 2019, are
33 subject to the following requirements:

34 (1) ~~((For housing units that are affordable to very low-income or
35 extremely low-income individuals and that are located within one-
36 quarter mile of a transit stop that receives transit service at least
37 two times per hour for twelve or more hours per day, minimum
38 residential parking requirements may be no greater than one parking
39 space per bedroom or .75 space per unit. A city may require a~~

1 ~~developer to record a covenant that prohibits the rental of a unit~~
2 ~~subject to this parking restriction for any purpose other than~~
3 ~~providing for housing for very low-income or extremely low-income~~
4 ~~individuals. The covenant must address price restrictions and~~
5 ~~household income limits and policies if the property is converted to~~
6 ~~a use other than for low-income housing. A city may establish a~~
7 ~~requirement for the provision of more than one parking space per~~
8 ~~bedroom or .75 space per unit if the jurisdiction has determined a~~
9 ~~particular housing unit to be in an area with a lack of access to~~
10 ~~street parking capacity, physical space impediments, or other reasons~~
11 ~~supported by evidence that would make on-street parking infeasible~~
12 ~~for the unit.~~

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

29 ~~((3))~~) (2) For market rate multifamily housing units that are
30 located within one-quarter mile of a transit stop that receives
31 transit service from at least one route that provides service at
32 least four times per hour for twelve or more hours per day, minimum
33 residential parking requirements may be no greater than one parking
34 space per bedroom or .75 space per unit. A city or county may
35 establish a requirement for the provision of more than one parking
36 space per bedroom or .75 space per unit 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
40 infeasible for the unit.

1 NEW SECTION. **Sec. 9.** A new section is added to chapter 36.70A
2 RCW to read as follows:

3 (1) Cities and counties planning under RCW 36.70A.040 may not
4 require affordable housing units for low-income or very low-income
5 households, regardless of the unit mix and size of the project, to
6 exceed the following sizes:

- 7 (a) 400 square feet for a studio unit;
- 8 (b) 550 square feet for a one-bedroom unit;
- 9 (c) 750 square feet for a two-bedroom unit; and
- 10 (d) 1,000 square feet for a three-bedroom unit.

11 (2) If the average unit size in the project is smaller than the
12 size requirements in this section, the city must allow the affordable
13 housing units to be of a comparable size as the market rate units.

14 (3) Co-living housing units are subject to the provisions of RCW
15 36.70A.535.

16 (4) This section does not apply to low-income housing developed
17 under an affordable housing incentive program as provided in RCW
18 36.70A.540.

19 NEW SECTION. **Sec. 10.** A new section is added to chapter 36.70A
20 RCW to read as follows:

21 Cities and counties that plan under the growth management act
22 must adopt or amend by ordinance, and incorporate into their
23 development regulations, zoning regulations, and other official
24 controls, the requirements of sections 1, 2, 5 through 7, and 9 of
25 this act by the sooner of six months after their next periodic
26 comprehensive plan update or six months after their next
27 implementation progress report.

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