
SUBSTITUTE SENATE BILL 5749

State of Washington

69th Legislature

2025 Regular Session

By Senate Housing (originally sponsored by Senators J. Wilson, Fortunato, Short, Christian, Torres, Dozier, Boehnke, Holy, Wagoner, and McCune)

READ FIRST TIME 02/21/25.

1 AN ACT Relating to housing development opportunity zones; adding
2 a new section to chapter 35.21 RCW; adding a new section to chapter
3 35A.21 RCW; creating new sections; and providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** The legislature recognizes that the state
6 of Washington is experiencing a housing supply crisis, and while the
7 10-year comprehensive review and zoning review processes typically
8 ensure sustainable and inclusive growth, these processes may not
9 always be necessary in instances where development has already
10 occurred. Therefore, it is the intent of the legislature to create
11 opportunities for localities to designate zones for residential and
12 mixed-use residential development, between zoning and code cycles, in
13 underutilized areas where land development has already occurred.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 35.21
15 RCW to read as follows:

16 (1) A city may designate, by resolution or ordinance, a
17 geographic area within its jurisdiction as a housing development
18 opportunity zone which encompasses areas characterized by large
19 commercial development such as shopping malls, vacant department
20 stores, and vacant grocery stores.

1 (2) The housing development opportunity zone project site area
2 must be defined by existing improvements on the parcel, including but
3 not limited to parking and landscape areas.

4 (3) Within the housing development opportunity zone, residential
5 development must be prioritized.

6 (4)(a) Housing development within the opportunity zone must
7 utilize:

8 (i) Any existing stormwater permits, existing facilities and
9 services, and any existing infrastructure as a method for reducing
10 development costs; and

11 (ii) The existing project site area for development or
12 redevelopment.

13 (b) Any development or redevelopment must be done within the
14 setbacks required at the time of initial development.

15 (5) The city may waive any impact fees associated with
16 development or redevelopment within the opportunity zone.

17 (6) Resolutions or ordinances made to implement a housing
18 development opportunity zone are exempt from the requirements of RCW
19 36.70A.130 and may be implemented at any time within the planning
20 period under the condition that the next comprehensive plan update
21 incorporate such changes.

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

24 (1) A code city may designate, by resolution or ordinance, a
25 geographic area within its jurisdiction as a housing development
26 opportunity zone which encompasses areas characterized by large
27 commercial development such as shopping malls, vacant department
28 stores, and vacant grocery stores.

29 (2) The housing development opportunity zone project site area
30 must be defined by existing improvements on the parcel, including but
31 not limited to parking and landscape areas.

32 (3) Within the housing development opportunity zone, residential
33 development must be prioritized.

34 (4)(a) Housing development within the opportunity zone must
35 utilize:

36 (i) Any existing stormwater permits, existing facilities and
37 services, and any existing infrastructure as a method for reducing
38 development costs; and

1 (ii) The existing project site area for development or
2 redevelopment.

3 (b) Any development or redevelopment must be done within the
4 setbacks required at the time of initial development.

5 (5) The code city may waive any impact fees associated with
6 development or redevelopment within the opportunity zone.

7 (6) Resolutions or ordinances made to implement a housing
8 development opportunity zone are exempt from the requirements of RCW
9 36.70A.130 and may be implemented at any time within the planning
10 period under the condition that the next comprehensive plan update
11 incorporate such changes.

12 NEW SECTION. **Sec. 4.** (1) The joint legislative audit and review
13 committee must evaluate the number of housing units and affordable
14 housing units created in housing development opportunity zones
15 established under sections 2 and 3 of this act. If the review finds
16 that the number of affordable housing units have not increased, then
17 the legislature intends to repeal the authorization for cities to
18 establish housing development opportunity zones.

19 (2) The review must be provided to the appropriate committees of
20 the legislature by September 1, 2043.

21 (3) In order to obtain the data necessary to perform the review
22 in this section, the joint legislative audit and review committee may
23 refer any other data collected by the state, and any data source.

24 (4) Cities must cooperate with and provide requested data,
25 materials, and assistance to the joint legislative audit and review
26 committee.

27 NEW SECTION. **Sec. 5.** This act expires July 1, 2045.

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