## 1110-S2.E AMS WM S2959.1

## **E2SHB 1110** - S COMM AMD By Committee on Ways & Means

- 1 Strike everything after the enacting clause and insert the 2 following:
- "NEW SECTION. Sec. 1. The legislature finds that Washington is facing an unprecedented housing crisis for its current population and a lack of housing choices, and is not likely to meet the affordability goals for future populations. In order to meet the goal of 1,000,000 new homes by 2044, and enhanced quality of life and environmental protection, innovative housing policies will need to be adopted.
- Increasing housing options that are more affordable to various income levels is critical to achieving the state's housing goals, including those codified by the legislature under chapter 254, Laws of 2021.
- There is continued need for the development of housing at all income levels, including middle housing that will provide a wider variety of housing options and configurations to allow Washingtonians to live near where they work.
- Homes developed at higher densities are more affordable by design for Washington residents both in their construction and reduced household energy and transportation costs.
  - While creating more housing options, it is essential for cities to identify areas at higher risk of displacement and establish antidisplacement policies as required in Engrossed Second Substitute House Bill No. 1220 (chapter 254, Laws of 2021).
- 25 The state has made historic investments in subsidized affordable 26 housing through the housing trust fund, yet even with these historic 27 investments, the magnitude of the housing shortage requires both 28 public and private investment.
- In addition to addressing the housing shortage, allowing more housing options in areas already served by urban infrastructure will reduce the pressure to develop natural and working lands, support key

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- strategies for climate change, food security, and Puget Sound recovery, and save taxpayers and ratepayers money.
- **Sec. 2.** RCW 36.70A.030 and 2021 c 254 s 6 are each amended to 4 read as follows:

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

- (1) "Administrative design review" means a development permit process whereby an application is reviewed, approved, or denied by the planning director or the planning director's designee based solely on objective design and development standards without a public predecision hearing, unless such review is otherwise required by state or federal law, or the structure is a designated landmark or historic district established under a local preservation ordinance. A city may utilize public meetings, hearings, or voluntary review boards to consider, recommend, or approve requests for variances from locally established design review standards.
- (2) "Adopt a comprehensive land use plan" means to enact a new comprehensive land use plan or to update an existing comprehensive land use plan.
- $((\frac{(2)}{(2)}))$  <u>(3)</u> "Affordable housing" means, unless the context clearly indicates otherwise, residential housing whose monthly costs, including utilities other than telephone, do not exceed thirty percent of the monthly income of a household whose income is:
- (a) For rental housing, sixty percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development; or
- (b) For owner-occupied housing, eighty percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.
- ((<del>(3)</del>)) <u>(4)</u> "Agricultural land" means land primarily devoted to the commercial production of horticultural, viticultural, floricultural, dairy, apiary, vegetable, or animal products or of berries, grain, hay, straw, turf, seed, Christmas trees not subject to the excise tax imposed by RCW 84.33.100 through 84.33.140, finfish in upland hatcheries, or livestock, and that has long-term commercial significance for agricultural production.
- $((\frac{4}{1}))$  (5) "City" means any city or town, including a code city. Code Rev/KS:jcm 2 S-2959.1/23

(((+5))) (6) "Comprehensive land use plan," "comprehensive plan," 2 or "plan" means a generalized coordinated land use policy statement 3 of the governing body of a county or city that is adopted pursuant to 4 this chapter.

- ((<del>(6)</del>)) <u>(7)</u> "Cottage housing" means residential units on a lot with a common open space that either: (a) Is owned in common; or (b) has units owned as condominium units with property owned in common and a minimum of 20 percent of the lot size as open space.
- (8) "Courtyard apartments" means up to four attached dwelling units arranged on two or three sides of a yard or court.
  - (9) "Critical areas" include the following areas and ecosystems:

    (a) Wetlands; (b) areas with a critical recharging effect on aquifers used for potable water; (c) fish and wildlife habitat conservation areas; (d) frequently flooded areas; and (e) geologically hazardous areas. "Fish and wildlife habitat conservation areas" does not include such artificial features or constructs as irrigation delivery systems, irrigation infrastructure, irrigation canals, or drainage ditches that lie within the boundaries of and are maintained by a port district or an irrigation district or company.
- $((\frac{7}{10}))$  "Department" means the department of commerce.
  - (((8))) (11) "Development regulations" or "regulation" means the controls placed on development or land use activities by a county or city, including, but not limited to, zoning ordinances, critical areas ordinances, shoreline master programs, official controls, planned unit development ordinances, subdivision ordinances, and binding site plan ordinances together with any amendments thereto. A development regulation does not include a decision to approve a project permit application, as defined in RCW 36.70B.020, even though the decision may be expressed in a resolution or ordinance of the legislative body of the county or city.
  - ((+9))) (12) "Emergency housing" means temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless that is intended to address the basic health, food, clothing, and personal hygiene needs of individuals or families. Emergency housing may or may not require occupants to enter into a lease or an occupancy agreement.
- 37 ((<del>(10)</del>)) <u>(13)</u> "Emergency shelter" means a facility that provides 38 a temporary shelter for individuals or families who are currently 39 homeless. Emergency shelter may not require occupants to enter into a 40 lease or an occupancy agreement. Emergency shelter facilities may Code Rev/KS:jcm 3 S-2959.1/23

1 include day and warming centers that do not provide overnight 2 accommodations.

((<del>(11)</del>)) <u>(14)</u> "Extremely low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below thirty percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

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

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

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

((<del>(15)</del>)) <u>(18)</u> "Long-term commercial significance" includes the growing capacity, productivity, and soil composition of the land for long-term commercial production, in consideration with the land's Code Rev/KS:jcm 4 S-2959.1/23

- 1 proximity to population areas, and the possibility of more intense 2 uses of the land.
  - ((<del>(16)</del>)) <u>(19)</u> "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.
    - ((<del>(17)</del>)) <u>(20) "Major transit stop" means:</u>
- 10 <u>(a) A stop on a high capacity transportation system funded or</u> 11 expanded under the provisions of chapter 81.104 RCW;
  - (b) Commuter rail stops;

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- (c) Stops on rail or fixed guideway systems; or
- 14 (d) Stops on bus rapid transit routes.
- 15 (21) "Middle housing" means buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached, stacked, or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing.
- 20 <u>(22)</u> "Minerals" include gravel, sand, and valuable metallic substances.
  - (((18))) (23) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below 120 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.
- 28  $((\frac{19}{19}))$  <u>(24)</u> "Permanent supportive housing" is subsidized, leased housing with no limit on length of stay that prioritizes 29 people who need comprehensive support services to retain tenancy and 30 31 utilizes admissions practices designed to use lower barriers to entry 32 than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and 33 personal behaviors. Permanent supportive housing is paired with on-34 site or off-site voluntary services designed to support a person 35 living with a complex and disabling behavioral health or physical 36 health condition who was experiencing homelessness or was at imminent 37 risk of homelessness prior to moving into housing to retain their 38 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 ((<del>(20)</del>)) <u>(25)</u> "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 ((<del>(21)</del>)) <u>(26)</u> "Public services" include fire protection and 9 suppression, law enforcement, public health, education, recreation, 10 environmental protection, and other governmental services.

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- ((<del>(22)</del>)) <u>(27)</u> "Recreational land" means land so designated under RCW 36.70A.1701 and that, immediately prior to this designation, was designated as agricultural land of long-term commercial significance under RCW 36.70A.170. Recreational land must have playing fields and supporting facilities existing before July 1, 2004, for sports played on grass playing fields.
- $((\frac{(23)}{(28)}))$  "Rural character" refers to the patterns of land use and development established by a county in the rural element of its comprehensive plan:
- 20 (a) In which open space, the natural landscape, and vegetation 21 predominate over the built environment;
  - (b) That foster traditional rural lifestyles, rural-based economies, and opportunities to both live and work in rural areas;
  - (c) That provide visual landscapes that are traditionally found 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.
- ((\(\frac{(24)}{)}\)) (\(\frac{(29)}{}\) "Rural development" refers to development outside the urban growth area and outside agricultural, forest, and mineral resource lands designated pursuant to RCW 36.70A.170. Rural development can consist of a variety of uses and residential densities, including clustered residential development, at levels that are consistent with the preservation of rural character and the Code Rev/KS:jcm 6 S-2959.1/23

- requirements of the rural element. Rural development does not refer to agriculture or forestry activities that may be conducted in rural
- $((\frac{(25)}{(25)}))$  (30) "Rural governmental services" or "rural services" 4 include those public services and public facilities historically and 5 6 typically delivered at an intensity usually found in rural areas, and include domestic water systems  $((\tau))$  and 7 fire and police protection services (( transportation and public transit services, 8 and other public utilities)) associated with rural development and 9 normally not associated with urban areas. Rural services do not 10 11 include storm or sanitary sewers, except as otherwise authorized by 12 RCW 36.70A.110(4).
- $((\frac{(26)}{(26)}))$  "Short line railroad" means those railroad lines 13 14 designated class II or class III by the United States surface transportation board. 15
- $((\frac{27}{27}))$  (32) "Single-family zones" means those zones where 16 single-family detached housing is the predominant land use. 17
  - (33) "Stacked flat" means dwelling units in a residential building of no more than three stories on a residential zoned lot in which each floor may be separately rented or owned.
  - (34) "Townhouses" means buildings that contain three or more attached single-family dwelling units that extend from foundation to roof and that have a yard or public way on not less than two sides.
  - (35) "Urban governmental services" or "urban services" include those public services and public facilities at an intensity historically and typically provided in cities, specifically including storm and sanitary sewer systems, domestic water systems, street cleaning services, fire and police protection services, public transit services, and other public utilities associated with urban areas and normally not associated with rural areas.
- 31  $((\frac{(28)}{(28)}))$  <u>(36)</u> "Urban growth" refers to growth that makes intensive use of land for the location of buildings, structures, and 32 33 impermeable surfaces to such a degree as to be incompatible with the primary use of land for the production of food, other agricultural 34 products, or fiber, or the extraction of mineral resources, rural 35 uses, rural development, and natural resource lands designated 36 pursuant to RCW 36.70A.170. A pattern of more intensive rural 37 development, as provided in RCW 36.70A.070(5)(d), is not urban 38 growth. When allowed to spread over wide areas, urban growth 39 40 typically requires urban governmental services. "Characterized by 7

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- urban growth" refers to land having urban growth located on it, or to land located in relationship to an area with urban growth on it as to be appropriate for urban growth.
  - ((-(29))) (37) "Urban growth areas" means those areas designated by a county pursuant to RCW 36.70A.110.
  - ((<del>(30)</del>)) <u>(38)</u> "Very low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below fifty percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.
- 12 (((31))) (39) "Wetland" or "wetlands" means areas that are inundated or saturated by surface water or groundwater at a frequency 13 14 duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically 15 16 adapted for life in saturated soil conditions. Wetlands generally 17 include swamps, marshes, bogs, and similar areas. Wetlands do not 18 include those artificial wetlands intentionally created from nonwetland sites, including, but not limited to, irrigation and 19 drainage ditches, grass-lined swales, canals, detention facilities, 20 21 wastewater treatment facilities, farm ponds, and landscape amenities, 22 or those wetlands created after July 1, 1990, that unintentionally created as a result of the construction of a road, 23 street, or highway. Wetlands may include those artificial wetlands 24 25 intentionally created from nonwetland areas created to mitigate conversion of wetlands. 26
- NEW SECTION. Sec. 3. A new section is added to chapter 36.70A RCW to read as follows:
  - (1) Except as provided in subsection (4) of this section, any city that is required or chooses to plan under RCW 36.70A.040 must provide by ordinance and incorporate into its development regulations, zoning regulations, and other official controls, authorization for the following:
- 34 (a) For cities with a population of at least 25,000 but less than 35 75,000 based on office of financial management population estimates:
- 36 (i) The development of at least two units per lot on all lots 37 zoned predominantly for residential use;

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(ii) The development of at least four units per lot on all lots zoned predominantly for residential use within one-quarter mile walking distance of a major transit stop; and

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- (iii) The development of at least four units per lot on all lots zoned predominantly for residential use if at least one unit is affordable housing.
- (b) For cities with a population of at least 75,000 based on office of financial management population estimates:
- (i) The development of at least four units per lot on all lots zoned predominantly for residential use;
- (ii) The development of at least six units per lot on all lots zoned predominantly for residential use within one-quarter mile walking distance of a major transit stop; and
- (iii) The development of at least six units per lot on all lots zoned predominantly for residential use if at least two units are affordable housing.
- (c) For cities with a population of less than 25,000, that are within a contiguous urban growth area with the largest city in a county with a population of more than 275,000, based on office of financial management population estimates the development of at least two units per lot on all lots zoned predominantly for residential use.
- To qualify for the additional units allowed under (2)(a) subsection (1) of this section, the applicant must commit to renting or selling the required number of units as affordable housing. The units must be maintained as affordable for a term of at least 50 years, and the property must satisfy that commitment and all required affordability and income eligibility conditions adopted by the local government under this chapter. A city must require the applicant to record a covenant or deed restriction that ensures the continuing rental of units subject to these affordability requirements consistent with the conditions in chapter 84.14 RCW for a period of no less than 50 years. The covenant or deed restriction must also address criteria and policies to maintain public benefit if the property is converted to a use other than which continues to provide for permanently affordable housing.
- (b) The units dedicated as affordable must be provided in a range of sizes comparable to other units in the development. To the extent practicable, the number of bedrooms in affordable units must be in the same proportion as the number of bedrooms in units within the Code Rev/KS:jcm

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- entire development. The affordable units must generally be distributed throughout the development and have substantially the same functionality as the other units in the development.
  - (c) If a city has enacted a program under RCW 36.70A.540, the terms of that program govern to the extent they vary from the requirements of this subsection.
  - (3) If a city has enacted a program under RCW 36.70A.540, subsection (1) of this section does not preclude the city from requiring any development, including development described in subsection (1) of this section, to provide affordable housing, either on-site or through an in-lieu payment, nor limit the city's ability to expand such a program or modify its requirements.
- 13 (4)(a) As an alternative to the density requirements in subsection (1) of this section, a city may implement the density requirements in subsection (1) of this section for at least 75 percent of lots in the city that are primarily dedicated to single-family detached housing units.
  - (b) The 25 percent of lots for which the requirements of subsection (1) of this section are not implemented must include but are not limited to:
  - (i) Any areas within the city for which the department has certified an extension of the implementation timelines under section 5 of this act due to the risk of displacement;
- 24 (ii) Any areas within the city for which the department has 25 certified an extension of the implementation timelines under section 26 7 of this act due to a lack of infrastructure capacity;
- (iii) Any lots designated with critical areas or their buffers that are exempt from the density requirements as provided in subsection (8) of this section;
- (iv) Any portion of a city within a one-mile radius of a commercial airport with at least 9,000,000 annual enplanements that is exempt from the parking requirements under subsection (7)(b) of this section; and
- (v) Any areas subject to sea level rise, increased flooding, susceptible to wildfires, or geological hazards over the next 100 years.
- 37 (c) Unless identified as at higher risk of displacement under RCW 38 36.70A.070(2)(g), the 25 percent of lots for which the requirements 39 of subsection (1) of this section are not implemented may not include:

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1 (i) Any areas for which the exclusion would further racially disparate impacts or result in zoning with a discriminatory effect;

- (ii) Any areas within one-half mile walking distance of a major transit stop; or
- (iii) Any areas historically covered by a covenant or deed restriction excluding racial minorities from owning property or living in the area, as known to the city at the time of each comprehensive plan update.
- (5) A city must allow at least six of the nine types of middle housing to achieve the unit density required in subsection (1) of this section. A city may allow accessory dwelling units to achieve the unit density required in subsection (1) of this section. Cities are not required to allow accessory dwelling units or middle housing types beyond the density requirements in subsection (1) of this section. A city must also allow zero lot line short subdivision where the number of lots created is equal to the unit density required in subsection (1) of this section.
  - (6) Any city subject to the requirements of this section:
- (a) If applying design review for middle housing, only administrative design review shall be required;
- (b) Except as provided in (a) of this subsection, shall not require through development regulations any standards for middle housing that are more restrictive than those required for detached single-family residences, but may apply any objective development regulations that are required for detached single-family residences, including, but not limited to, set-back, lot coverage, stormwater, clearing, and tree canopy and retention requirements to ensure compliance with existing ordinances intended to protect critical areas and public health and safety;
- (c) Shall apply to middle housing the same development permit and environmental review processes that apply to detached single-family residences, unless otherwise required by state law including, but not limited to, shoreline regulations under chapter 90.58 RCW, building codes under chapter 19.27 RCW, energy codes under chapter 19.27A RCW, or electrical codes under chapter 19.28 RCW;
- (d) Shall not require off-street parking as a condition of permitting development of middle housing within one-half mile walking distance of a major transit stop;
- (e) Shall not require more than one off-street parking space per unit as a condition of permitting development of middle housing on Code Rev/KS:jcm 11 S-2959.1/23

- 1 lots smaller than 6,000 square feet before any zero lot line 2 subdivisions or lot splits;
  - (f) Shall not require more than two off-street parking spaces per unit as a condition of permitting development of middle housing on lots greater than 6,000 square feet before any zero lot line subdivisions or lot splits; and
  - (g) Are not required to achieve the per unit density under this act on lots after subdivision below 1,000 square feet unless the city chooses to enact smaller allowable lot sizes.
  - (7) The provisions of subsection (6)(d) through (f) of this section do not apply:
    - (a) If a local government submits to the department an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and the department finds and certifies, that the application of the parking limitations of subsection (6)(d) through (f) of this section for middle housing will be significantly less safe for vehicle drivers or passengers, pedestrians, or bicyclists than if the jurisdiction's parking requirements were applied to the same location for the same number of detached houses. The department must develop guidance to assist cities on items to include in the study; or
- 22 (b) To portions of cities within a one-mile radius of a 23 commercial airport in Washington with at least 9,000,000 annual 24 enplanements.
  - (8) The provisions of this section do not apply to:
  - (a) Lots designated with critical areas designated under RCW 36.70A.170 or their buffers as required by RCW 36.70A.170;
    - (b) A watershed serving a reservoir for potable water if that watershed is or was listed, as of the effective date of this section, as impaired or threatened under section 303(d) of the federal clean water act (33 U.S.C. Sec. 1313(d)); or
- 32 (c) Lots that have been designated urban separators by countywide 33 planning policies as of the effective date of this section.
- 34 (9) Nothing in this section prohibits a city from permitting 35 detached single-family residences.
- 36 (10) Nothing in this section requires a city to issue a building 37 permit if other federal, state, and local requirements for a building 38 permit are not met.
- 39 (11) A city must comply with the requirements of this section on 40 the latter of:

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- 1 (a) Six months after its next periodic comprehensive plan update 2 required under RCW 36.70A.130 if the city meets the population 3 threshold based on the 2020 office of financial management population 4 data; or
- 5 (b) 12 months after their next implementation progress report 6 required under RCW 36.70A.130 after a determination by the office of 7 financial management that the city has reached a population threshold 8 established under this section.
- 9 (12) A city complying with this section and not granted a 10 timeline extension under section 7 of this act does not have to 11 update its capital facilities plan element required by RCW 12 36.70A.070(3) to accommodate the increased housing required by this 13 act until the first periodic comprehensive plan update required for 14 the city under RCW 36.70A.130(5) that occurs on or after June 30, 15 2034.
- (13) Any city that adopts development regulations consistent with the requirements of this section shall be considered in compliance with RCW 36.70A.070(2)(f) until June 30, 2032, and shall have until the first periodic comprehensive plan update required for the city under RCW 36.70A.130(5) that occurs on or after June 30, 2034, to comply with RCW 36.70A.070(2)(f).
- NEW SECTION. Sec. 4. A new section is added to chapter 36.70A RCW to read as follows:
- 24 (1)(a) The department is directed to provide technical assistance 25 to cities as they implement the requirements under section 3 of this 26 act.
- 27 (b) The department shall prioritize such technical assistance to cities demonstrating the greatest need.
- 29 (2)(a) The department shall publish model middle housing 30 ordinances no later than six months following the effective date of 31 this section.

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- (b) In any city subject to section 3 of this act that has not passed ordinances, regulations, or other official controls within the time frames provided under section 3(11) of this act, the model ordinance supersedes, preempts, and invalidates local development regulations until the city takes all actions necessary to implement section 3 of this act.
- 38 (3)(a) The department is directed to establish a process by which 39 cities implementing the requirements of section 3 of this act may Code Rev/KS:jcm 13 S-2959.1/23

1 seek approval of alternative local action necessary to meet the 2 requirements of this act.

- (b) The department may approve actions under this section for cities that have, by January 1, 2023, adopted a comprehensive plan that is substantially similar to the requirements of this act and have adopted, or within one year of the effective date of this section adopts, permanent development regulations that are substantially similar to the requirements of this act. In determining whether a city's adopted comprehensive plan and permanent development regulations are substantially similar, the department must find as substantially similar plans and regulations that:
- (i) Result in an overall increase in housing units allowed in single-family zones that is at least 75 percent of the increase in housing units allowed in single-family zones if the specific provisions of this act were adopted;
- 16 (ii) Allow for middle housing throughout the city, rather than 17 just in targeted locations; and
  - (iii) Allow for additional density near major transit stops, and for projects that incorporate dedicated affordable housing.
  - (c) The department may also approve actions under this section for cities that have, by January 1, 2023, adopted a comprehensive plan or development regulations that have significantly reduced or eliminated residentially zoned areas that are predominantly single family. The department must find that a city's actions are substantially similar to the requirements of this act if they have adopted, or within one year of the effective date of this section adopts, permanent development regulations that:
  - (i) Result in an overall increase in housing units allowed in single-family zones that is at least 75 percent of the increase in housing units allowed in single-family zones if the specific provisions of this act were adopted;
  - (ii) Allow for middle housing throughout the city, rather than just in targeted locations; and
- 34 (iii) Allow for additional density near major transit stops, and 35 for projects that incorporate dedicated affordable housing.
- 36 (d) The department may determine that a comprehensive plan and development regulations that do not meet these criteria are otherwise substantially similar to the requirements of this act if the city can clearly demonstrate that the regulations adopted will allow for a greater increase in middle housing production within single family Code Rev/KS:jcm 14 S-2959.1/23

- zones than would be allowed through implementation of section 3 of this act.
  - (e) Any local actions approved by the department pursuant to (a) of this subsection to implement the requirements under section 3 of this act are exempt from appeals under this chapter and chapter 43.21C RCW.
- 7 (f) The department's final decision to approve or reject actions 8 by cities implementing section 3 of this act may be appealed to the 9 growth management hearings board by filing a petition as provided in 10 RCW 36.70A.290.
- NEW SECTION. Sec. 5. A new section is added to chapter 36.70A RCW to read as follows:

Any city choosing the alternative density requirements in section 13 3(4) of this act may apply to the department for, and the department 14 15 may certify, an extension for areas at risk of displacement as 16 determined by the antidisplacement analysis that a jurisdiction is required to complete under RCW 36.70A.070(2). The city must create a 17 18 plan for implementing antidisplacement policies by their next implementation progress report required by RCW 36.70A.130(9). The 19 20 department may certify one further extension based on evidence of 21 significant ongoing displacement risk in the impacted area.

- 22 **Sec. 6.** RCW 36.70A.280 and 2011 c 360 s 17 are each amended to 23 read as follows:
- 24 (1) The growth management hearings board shall hear and determine 25 only those petitions alleging either:
  - (a) That, except as provided otherwise by this subsection, a state agency, county, or city planning under this chapter is not in compliance with the requirements of this chapter, chapter 90.58 RCW as it relates to the adoption of shoreline master programs or amendments thereto, or chapter 43.21C RCW as it relates to plans, development regulations, or amendments, adopted under RCW 36.70A.040 or chapter 90.58 RCW. Nothing in this subsection authorizes the board to hear petitions alleging noncompliance with RCW 36.70A.5801;
- 34 (b) That the twenty-year growth management planning population 35 projections adopted by the office of financial management pursuant to 36 RCW 43.62.035 should be adjusted;

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- 1 (c) That the approval of a work plan adopted under RCW 36.70A.735(1)(a) is not in compliance with the requirements of the program established under RCW 36.70A.710;
  - (d) That regulations adopted under RCW 36.70A.735(1) (b) are not regionally applicable and cannot be adopted, wholly or partially, by another jurisdiction; ((or))
  - (e) That a department certification under RCW 36.70A.735(1) (c) is erroneous; or
  - (f) That the department's final decision to approve or reject actions by a city implementing section 3 of this act is clearly erroneous.
    - (2) A petition may be filed only by: (a) The state, or a county or city that plans under this chapter; (b) a person who has participated orally or in writing before the county or city regarding the matter on which a review is being requested; (c) a person who is certified by the governor within sixty days of filing the request with the board; or (d) a person qualified pursuant to RCW 34.05.530.
    - (3) For purposes of this section "person" means any individual, partnership, corporation, association, state agency, governmental subdivision or unit thereof, or public or private organization or entity of any character.
    - (4) To establish participation standing under subsection (2)(b) of this section, a person must show that his or her participation before the county or city was reasonably related to the person's issue as presented to the board.
    - (5) When considering a possible adjustment to a growth management planning population projection prepared by the office of financial management, the board shall consider the implications of any such adjustment to the population forecast for the entire state.

The rationale for any adjustment that is adopted by the board must be documented and filed with the office of financial management within ten working days after adoption.

If adjusted by the board, a county growth management planning population projection shall only be used for the planning purposes set forth in this chapter and shall be known as the "board adjusted population projection." None of these changes shall affect the official state and county population forecasts prepared by the office of financial management, which shall continue to be used for state budget and planning purposes.

- NEW SECTION. Sec. 7. A new section is added to chapter 36.70A RCW to read as follows:
  - (1) Any city choosing the alternative density requirements in section 3(4) of this act may apply to the department for, and the department may certify, an extension of the implementation timelines established under section 3(11) of this act.
  - (2) An extension certified under this section may be applied only to specific areas where a city can demonstrate that water, sewer, stormwater, or fire protection services lack capacity to accommodate the density required in section 3 of this act, and the city has:
  - (a) Included one or more improvements, as needed, within its capital facilities plan to adequately increase capacity; or
  - (b) Identified which special district is responsible for providing the necessary infrastructure if the infrastructure is provided by a special purpose district.
  - (3) If an extension of the implementation timelines is requested due to lack of water supply from the city or the purveyors who serve water within the city, the department's evaluation of the extension must be based on the applicable water system plans in effect and approved by the department of health. Water system plan updates initiated after the effective date of this section must include consideration of water supply requirements for middle housing types.
- 23 (4) An extension granted under this section remains in effect 24 until the earliest of:
  - (a) The infrastructure is improved to accommodate the capacity;
  - (b) The city's deadline to complete its next periodic comprehensive plan update under RCW 36.70A.130; or
  - (c) The city's deadline to complete its implementation progress report to the department as required under RCW 36.70A.130(9).
  - (5) A city that has received an extension under this section may reapply for any needed extension with its next periodic comprehensive plan update under RCW 36.70A.130 or its implementation progress report to the department under RCW 36.70A.130(9). The application for an additional extension must include a list of infrastructure improvements necessary to meet the capacity required in section 3 of this act. Such additional extension must only be to address infrastructure deficiency that a city is not reasonably able to address within the first extension.
- 39 (6) The department may establish by rule any standards or 40 procedures necessary to implement this section.

(7) The department must provide the legislature with a list of projects identified in a city's capital facilities plan that were the basis for the extension under this section, including planning level estimates. Additionally, the city must contact special purpose districts to identify additional projects associated with extensions under this section.

- (8) A city granted an extension for a specific area must allow development as provided under section 3 of this act if the developer commits to providing the necessary water, sewer, or stormwater infrastructure.
- (9) If an area zoned predominantly for residential use is currently served only by private wells, group B water systems or group A water systems with less than 50 connections, or a city or water providers within the city do not have an adequate water supply or available connections to serve the zoning increase required under section 3 of this act, the city may limit the areas subject to the requirements under section 3 of this act to match current water availability. Nothing in this act affects or modifies the responsibilities of cities to plan for or provide urban governmental services as defined in RCW 36.70A.030 or affordable housing as required by RCW 36.70A.070.
- (10) No city shall approve a building permit for housing under section 3 of this act without compliance with the adequate water supply requirements of RCW 19.27.097.
- (11) If an area zoned predominantly for residential use is currently served only by on-site sewage systems, development may be limited to two units per lot, until either the landowner or local government provides sewer service or demonstrates a sewer system will serve the development at the time of construction. Nothing in this act affects or modifies the responsibilities of cities to plan for or provide urban governmental services as defined in RCW 36.70A.030.
- Sec. 8. RCW 43.21C.495 and 2022 c 246 s 3 are each amended to read as follows:
- 34 (1) Adoption of ordinances, development regulations and amendments to such regulations, and other nonproject actions taken by a city to implement: The actions specified in section 2, chapter 246, Laws of 2022 unless the adoption of such ordinances, development regulations and amendments to such regulations, or other nonproject actions has a probable significant adverse impact on fish habitat; Code Rev/KS:jcm 18 S-2959.1/23

- and the increased residential building capacity actions identified in RCW 36.70A.600(1), with the exception of the action specified in RCW
- 3 36.70A.600(1)(f), are not subject to administrative or judicial
- 4 appeals under this chapter.

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- 5 (2) Amendments to development regulations and other nonproject
- 6 actions taken by a city to implement the requirements under section 3
- 7 of this act pursuant to section 4(3)(b) of this act are not subject
- 8 to administrative or judicial appeals under this chapter.
- 9 **Sec. 9.** RCW 43.21C.450 and 2012 1st sp.s. c 1 s 307 are each 10 amended to read as follows:
- 11 The following nonproject actions are categorically exempt from 12 the requirements of this chapter:
  - (1) Amendments to development regulations that are required to ensure consistency with an adopted comprehensive plan pursuant to RCW 36.70A.040, where the comprehensive plan was previously subjected to environmental review pursuant to this chapter and the impacts associated with the proposed regulation were specifically addressed in the prior environmental review;
  - (2) Amendments to development regulations that are required to ensure consistency with a shoreline master program approved pursuant to RCW 90.58.090, where the shoreline master program was previously subjected to environmental review pursuant to this chapter and the impacts associated with the proposed regulation were specifically addressed in the prior environmental review;
  - (3) Amendments to development regulations that, upon implementation of a project action, will provide increased environmental protection, limited to the following:
- 28 (a) Increased protections for critical areas, such as enhanced 29 buffers or setbacks;
- 30 (b) Increased vegetation retention or decreased impervious 31 surface areas in shoreline jurisdiction; and
- 32 (c) Increased vegetation retention or decreased impervious 33 surface areas in critical areas;
- 34 (4) Amendments to technical codes adopted by a county, city, or 35 town to ensure consistency with minimum standards contained in state 36 law, including the following:
  - (a) Building codes required by chapter 19.27 RCW;
  - (b) Energy codes required by chapter 19.27A RCW; and
- 39 (c) Electrical codes required by chapter 19.28 RCW.

- 1 (5) Amendments to development regulations to remove requirements 2 for parking from development proposed to fill in an urban growth area
- 3 <u>designated according to RCW 36.70A.110.</u>
- 4 <u>NEW SECTION.</u> **Sec. 10.** A new section is added to chapter 64.34 5 RCW to read as follows:
- A declaration created after the effective date of this section and applicable to an area within a city subject to the middle housing requirements in section 3 of this act may not actively or effectively prohibit the construction, development, or use of additional housing
- 10 units as required in section 3 of this act.
- NEW SECTION. Sec. 11. A new section is added to chapter 64.32 RCW to read as follows:
- A declaration created after the effective date of this section and applicable to an association of apartment owners located within an area of a city subject to the middle housing requirements in section 3 of this act may not actively or effectively prohibit the
- 17 construction, development, or use of additional housing units as
- 18 required in section 3 of this act.
- 19 <u>NEW SECTION.</u> **Sec. 12.** A new section is added to chapter 64.38 20 RCW to read as follows:
- Governing documents of associations within cities subject to the middle housing requirements in section 3 of this act that are created after the effective date of this section may not actively or effectively prohibit the construction, development, or use of additional housing units as required in section 3 of this act.
- NEW SECTION. Sec. 13. A new section is added to chapter 64.90 RCW to read as follows:
- Declarations and governing documents of a common interest community within cities subject to the middle housing requirements in section 3 of this act that are created after the effective date of this section may not actively or effectively prohibit the construction, development, or use of additional housing units as required in section 3 of this act.

- 1 <u>NEW SECTION.</u> **Sec. 14.** The department of commerce may establish
- 2 by rule any standards or procedures necessary to implement sections 2
- 3 through 7 of this act.
- NEW SECTION. Sec. 15. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2023, in the omnibus appropriations act, this
- 7 act is null and void."

## **E2SHB 1110** - S COMM AMD

By Committee on Ways & Means

- On page 1, line 3 of the title, after "housing;" strike the remainder of the title and insert "amending RCW 36.70A.030, 36.70A.280, 43.21C.495, and 43.21C.450; adding new sections to chapter 36.70A RCW; adding a new section to chapter 64.34 RCW; adding a new section to chapter 64.32 RCW; adding a new section to chapter 64.38 RCW; adding a new section to chapter 64.90 RCW; and creating new sections."
  - EFFECT: (1) Makes technical corrections.
  - (2) Updates the intent section.
  - (3) Requires cities meeting the population threshold based on the 2020 Office of Financial Management (OFM) population data to comply with the provisions of the bill six months after their next periodic comprehensive plan update. Cities not meeting the threshold based on the 2020 OFM data must comply with the provisions of the bill 12 months after their next implementation progress report after a determination by OFM that the city has reached a population threshold.
  - (4) Makes changes to the definition for administrative design review and major transit stop.
  - (5) Requires any city with a population of at least 25,000 but less than 75,000, within a contiguous urban growth area with the largest city in a county with a population of more than 275,000 to comply with the same density requirements as cities with a population of at least 25,000 but less than 75,000, instead of imposing the same density requirements as cities with a population of at least 75,000.
  - (6) Updates the density requirements for a city with a population of at least 25,000 but less than 75,000 to require the development of at least four units per lot on all lots predominantly for residential use within one-quarter mile, rather than one-half mile walking distance of a major transit stop.
  - (7) Requires any city with less than 25,000, within a contiguous urban growth area with the largest city in a county with a population of more than 275,000 to authorize development of at least two units per lot on all lots zoned predominately for residential use.

- (8) Removes the alternative density option for cities with a population of less than 75,000 within a contiguous urban growth area with the largest city in a county with a population of more than 275,000.
- (9) Provides that provisions required for the 25 percent of lots for which density requirements are not implemented under the alternative density option are not limited to those specified in the bill and adds any area susceptible to wildfires to those provisions.
- (10) Provides that cities may allow accessory dwelling units to achieve the unit density required but that cities are not required to allow ADUs or middle housing types beyond density requirements.
- (11) Clarifies that if a city is applying design review for middle housing, only administrative design review shall be required.
- (12) Removes language authorizing cities to impose a limit of two units on a residential lot of 2,000 square feet or less created through a lot split pursuant to RCW 36.70A.--- (section 2, chapter . . . (ESHB 1245), Laws of 2023).
- (13) Clarifies that the lot size tied to off-street parking provisions is before any zero lot line subdivisions or lot splits.
- (14) Provides that cities are not required to achieve the per unit density under this act on lots after subdivision below 1,000 square feet.
- (15) Exempts lots that have been designated as urban separators by countywide planning policies as of the effective date of this act from the density requirements.
- (16) Clarifies that cities considered in compliance with requirements to identify and implement policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions until June 30, 2032, by meeting the density requirements have until the first periodic comprehensive plan update required on or after June 30, 2034, to comply with those requirements.
- (17) Removes community amenity from the list of requirements for the alternative density requirement and review of substantially similar plans and regulations conducted by Department of Commerce (Commerce).
- (18) Removes areas within one-half mile walking distance of a building, shopping center, or business area containing 100,000 square feet of retail space from the list of areas that must allow the minimum density under the alternative density requirement.
- (19) Removes language exempting population associated with permits for middle housing units from the threshold of an Office of Financial Management population projection to a county or a county population allocation to a city.
- (20) Clarifies that Commerce may approve actions by cities that have adopted permanent development regulations that are substantially similar to the requirements.
- (21) Adds ability for Commerce to approve comprehensive plan or development regulations that significantly reduce or eliminate residentially zoned areas that are predominately single family. A city's actions are substantially similar to the requirements if permanent development regulations adopted, or adopted within one year of the effective date: Result in an overall increase in housing allowed in single-family zones that is at least 75% of the increase in housing units allowed; allow for middle housing throughout the city; and allow for density near major transit stops and for projects that incorporate dedicated affordable housing.
- (22) Authorizes Commerce to certify an additional extension for an area at risk of displacement as determined by an antidisplacement

analysis based on evidence of significant ongoing displacement risk in the impacted area.

- (23) Requires the Commerce evaluation of the extension of the implementation timelines to be based on the applicable water system plans in effect and approved by the department of health if an extension of the implementation timelines is requested due to lack of water supply from the city or the purveyors who serve water within the city.
- (24) Requires water system plan updates initiated after the effective date of the act to include consideration of water supply requirements for middle housing types.
- (25) Allows a city to limit the areas subject to the requirements to match current water availability if an area zoned predominately for residential use is currently served by only private wells, Group B water systems or Group A water systems with less than 50 connections.
- (26) Allows development to be limited to two units per lot until either the landowner or local government provides sewer services if an area is currently served only by on-site sewage systems or demonstrates a sewer system will serve the development at the time of construction.
- (27) Removes language that deems a city in compliance with making adequate provisions for existing and projected needs of all economic segments of the community until July 1, 2032, if they adopt development regulations that are consistent with implementing the act.
- (28) Clarifies that commerce rule-making authority applies to the provisions relating to the density and missing middle provisions of the bill.
- (29) Allows cities to apply objective development regulations that are required for detached single-family residences, including but not limited to set-back, lot coverage, stormwater, clearing, and tree canopy and retention requirements to ensure compliance with existing ordinances intended to protect critical areas and public health and safety.

--- END ---