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**SENATE BILL 5312**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Senator Mullet

1 AN ACT Relating to facilitating transit-oriented development and  
2 increasing housing inventory; and amending RCW 36.70A.500.

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

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

6 (1) The department of commerce shall provide management services  
7 for the growth management planning and environmental review fund  
8 created by RCW 36.70A.490. The department shall establish procedures  
9 for fund management. The department shall encourage participation in  
10 the grant or loan program by other public agencies. The department  
11 shall develop the grant or loan criteria, monitor the grant or loan  
12 program, and select grant or loan recipients in consultation with  
13 state agencies participating in the grant or loan program through the  
14 provision of grant or loan funds or technical assistance.

15 (2) A grant or loan may be awarded to a county or city that is  
16 required to or has chosen to plan under RCW 36.70A.040 and that is  
17 qualified pursuant to this section. The grant or loan shall be  
18 provided to assist a county or city in paying for the cost of  
19 preparing an environmental analysis under chapter 43.21C RCW, that is  
20 integrated with a comprehensive plan, subarea plan, plan element,  
21 countywide planning policy, development regulation, monitoring

1 program, or other planning activity adopted under or implementing  
2 this chapter that:

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

5 (b) Encourages use of plans and information developed for  
6 purposes of complying with this chapter to satisfy requirements of  
7 other state programs.

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

10 (a) Demonstrate that it will prepare an environmental analysis  
11 pursuant to chapter 43.21C RCW and subsection (2) of this section  
12 that is integrated with a comprehensive plan, subarea plan, plan  
13 element, countywide planning policy, development regulations,  
14 monitoring program, or other planning activity adopted under or  
15 implementing this chapter;

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

20 (c) Demonstrate that procedures for review of development permit  
21 applications will be based on the integrated plans and environmental  
22 analysis;

23 (d) Include mechanisms to monitor the consequences of growth as  
24 it occurs in the plan area and to use the resulting data to update  
25 the plan, policy, or implementing mechanisms and associated  
26 environmental analysis;

27 (e) Demonstrate substantial progress towards compliance with the  
28 requirements of this chapter. A county or city that is more than six  
29 months out of compliance with a requirement of this chapter is deemed  
30 not to be making substantial progress towards compliance; and

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

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

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

38 (b) Identification and monitoring of system capacities for  
39 elements of the built environment, and to the extent appropriate, of  
40 the natural environment;

1 (c) Coordination with state, federal, and tribal governments in  
2 project review;

3 (d) Furtherance of important state objectives related to economic  
4 development, protection of areas of statewide significance, and  
5 siting of essential public facilities;

6 (e) Programs to improve the efficiency and effectiveness of the  
7 permitting process by greater reliance on integrated plans and  
8 prospective environmental analysis;

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

12 (g) Programs to identify environmental impacts and establish  
13 mitigation measures that provide effective means to satisfy  
14 concurrency requirements and establish project consistency with the  
15 plans; or

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

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

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

27 (7)(a) Appropriations to the growth management planning and  
28 environmental review fund established in RCW 36.70A.490 for the  
29 purpose of grants to cities to facilitate transit-oriented  
30 development may be used to pay for the costs associated with the  
31 preparation of state environmental policy act environmental impact  
32 statements, planned action ordinances, subarea plans, costs  
33 associated with the utilization of other tools under the state  
34 environmental policy act, and the costs of local code adoption and  
35 implementation of such efforts.

36 (b) Grant awards may only fund efforts that address environmental  
37 impacts and consequences, alternatives, and mitigation measures in  
38 sufficient detail to allow the analysis to be adopted in whole or in  
39 part by applicants for development permits within the geographic area  
40 analyzed in the plan.

1       (8) The department shall prioritize applications for grants to  
2 facilitate transit-oriented development that maximize the following  
3 policy objectives in the area covered by a proposal:

4       (a) The total number of housing units authorized for new  
5 development;

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

7       (c) Plans that authorize up to six stories of building height;

8       (d) Plans that authorize ground floor retail with housing above;

9       (e) Plans in areas that minimize or eliminate on-site parking  
10 requirements;

11       (f) Existence or establishment of incentive zoning, mandatory  
12 affordability, or other tools to promote low-income housing in the  
13 area;

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

16       (h) Plans designed to maximize and increase the variety of  
17 allowable housing types and expected sale or rental rates.

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

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

21       (b) Bus rapid transit;

22       (c) High frequency bus service; or

23       (d) Park and ride lots.

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