ENGROSSED SUBSTITUTE HOUSE BILL 1293

State of Washington 68th Legislature 2023 Regular Session

By House Housing (originally sponsored by Representatives Klicker, Leavitt, Barkis, Jacobsen, Waters, Chapman, Reed, and Graham)

READ FIRST TIME 02/09/23.

- 1 AN ACT Relating to streamlining development regulations; amending
- 2 RCW 43.21C.229 and 36.70B.160; and adding a new section to chapter
- 3 36.70A RCW.

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 43.21C.229 and 2020 c 87 s 1 are each amended to 6 read as follows:
- 7 (1) $((\frac{\text{In order}}{\text{order}}))$ The purpose of this section is to accommodate 8 infill and housing development and thereby realize the goals and 9 policies of comprehensive plans adopted according to chapter 36.70A 10 RCW($(\frac{1}{1},\frac{1}{2})$).
- 11 <u>(2) A</u> city or county planning under RCW 36.70A.040 is authorized by this ((section)) subsection to establish categorical exemptions from the requirements of this chapter. ((An exemption adopted under this section applies even if it differs from the categorical exemptions adopted by rule of the department under RCW 43.21C.110(1)(a).)) An exemption may be adopted by a city or county under this ((section)) subsection if it meets the following criteria:
 - (a) It categorically exempts government action related to development proposed to fill in an urban growth area, designated according to RCW 36.70A.110, where current density and intensity of use in the area is roughly equal to or lower than called for in the

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1 goals and policies of the applicable comprehensive plan and the 2 development is either:

(i) Residential development;

- (ii) Mixed-use development; or
- (iii) Commercial development up to ((sixty-five thousand)) 65,000 square feet, excluding retail development;
- (b) It does not exempt government action related to development that is inconsistent with the applicable comprehensive plan or would clearly exceed the density or intensity of use called for in the goals and policies of the applicable comprehensive plan;
- (c) The local government considers the specific probable adverse environmental impacts of the proposed action and determines that these specific impacts are adequately addressed by the development regulations or other applicable requirements of the comprehensive plan, subarea plan element of the comprehensive plan, planned action ordinance, or other local, state, or federal rules or laws; and
- (d)(i) The city or county's applicable comprehensive plan was previously subjected to environmental analysis through an environmental impact statement under the requirements of this chapter prior to adoption; or
- (ii) The city or county has prepared an environmental impact statement that considers the proposed use or density and intensity of use in the area proposed for an exemption under this section.
- or more residential housing units within an urban growth area designated pursuant to RCW 36.70A.110 shall be categorically exempt from the requirements of this chapter. This categorical exemption only applies to areas that do not have existing or anticipated transportation system safety or operational deficiencies. A city or county must consult with the Washington state department of transportation to determine if such deficiencies exist. A project action shall be eligible for categorical exemption under this subsection only if it meets the following criteria:
- (a) The proposed development is consistent with all development regulations implementing an applicable comprehensive plan adopted according to chapter 36.70A RCW by the jurisdiction in which the development is proposed, with the exception of any development regulation that is inconsistent with applicable provisions of chapter 36.70A RCW; and

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

- (ii) The city or county has prepared an environmental impact
 statement that considers the proposed use or density and intensity of
 use in the area proposed for an exemption under this section and
 fully addresses the transportation impacts.
 - (4) Any categorical exemption under this section applies even if it differs from the categorical exemptions adopted by rule of the department under RCW 43.21C.110(1)(a). However, any categorical exemption ((adopted by a city or county)) under this section shall be subject to the rules of the department adopted according to RCW 43.21C.110(1)(a) that provide exceptions to the use of categorical exemptions adopted by the department.
- 16 <u>(5) The categorical exemption in subsection (3) of this section</u>
 17 <u>applies in a city or county beginning six months after its next</u>
 18 periodic comprehensive plan update required under RCW 36.70A.130.
- NEW SECTION. Sec. 2. A new section is added to chapter 36.70A RCW to read as follows:
 - (1) For purposes of this section, "design review" means a formally adopted local government process by which projects are reviewed for compliance with design standards for the type of use adopted through local ordinance.
 - (2) Except as provided in subsection (3) of this section, counties and cities planning under RCW 36.70A.040 may apply in any design review process only clear and objective development regulations governing the exterior design of new development that does not include any residential units. For purposes of this section, a clear and objective development regulation:
 - (a) Must include one or more ascertainable guideline, standard, or criterion by which an applicant can determine whether a given building design is permissible under that development regulation; and
 - (b) May not result in a reduction in density, height, bulk, or scale below the generally applicable development regulations for a development proposal in the applicable zone.
 - (3) The provisions of subsection (2) of this section do not apply to development regulations that apply only to designated landmarks or historic districts established under a local preservation ordinance.

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(4) Any design review process must be conducted concurrently, or otherwise logically integrated, with the consolidated review and decision process for project permits set forth in RCW 36.70B.120(3), and no design review process may include more than one public meeting within the meaning of RCW 36.70B.020.

- 6 (5) A county or city must comply with the requirements of this 7 section beginning six months after its next periodic comprehensive 8 plan update required under RCW 36.70A.130.
- **Sec. 3.** RCW 36.70B.160 and 1995 c 347 s 420 are each amended to 10 read as follows:
 - (1) Each local government is encouraged to adopt further project review provisions to provide prompt, coordinated, and objective review and ensure accountability to applicants and the public, including expedited review for project permit applications for projects that are consistent with adopted development regulations or that include dwelling units that are affordable to low-income or moderate-income households and within the capacity of systemwide infrastructure improvements.
 - (2) Nothing in this chapter is intended or shall be construed to prevent a local government from requiring a preapplication conference or a public meeting by rule, ordinance, or resolution, where otherwise required by applicable state law.
- 23 (3) Each local government shall adopt procedures to monitor and 24 enforce permit decisions and conditions.
 - (4) Nothing in this chapter modifies any independent statutory authority for a government agency to appeal a project permit issued by a local government.
 - (5) For the purposes of this section:
 - (a) A dwelling unit is affordable if it requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the family's income.
 - (b) "Dwelling unit" means a residential living unit that provides complete independent living facilities for one or more persons and that includes permanent provisions for living, sleeping, eating, cooking, and sanitation, and that is sold or rented separately from other dwelling units.
- (c) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is less than 80 percent of the median family income, adjusted for household size,

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for the county where the household is located, as reported by the
United States department of housing and urban development, or less
than 80 percent of the city's median income if the project is located
in the city, the city has median income of more than 20 percent above
the county median income, and the city has adopted an alternative
local median income.

(d) "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, or less than 120 percent of the city's median income if the project is located in the city, the city has median income of more than 20 percent above the county median income, and the city has adopted an alternative local median income.

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