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**SUBSTITUTE SENATE BILL 5466**

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**State of Washington****68th Legislature****2023 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Lias, Gildon, Kuderer, Lovelett, MacEwen, Mullet, Braun, Billig, Dhingra, Frame, Hunt, Kauffman, Nguyen, Nobles, Pedersen, Saldaña, Salomon, Shewmake, Stanford, Valdez, Van De Wege, and C. Wilson; by request of Office of the Governor)

1 AN ACT Relating to promoting transit-oriented development;  
2 amending RCW 36.70A.030, 36.70A.500, 36.70A.620, and 43.21C.229;  
3 adding new sections to chapter 47.01 RCW; adding a new section to  
4 chapter 36.70A RCW; adding a new section to chapter 64.38 RCW; adding  
5 a new section to chapter 64.90 RCW; adding a new section to chapter  
6 64.34 RCW; adding a new section to chapter 64.32 RCW; and creating a  
7 new section.

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

9 NEW SECTION. **Sec. 1.** The legislature finds that the state has  
10 made groundbreaking investments in state-of-the-art mass transit and  
11 intermodal infrastructure. The legislature finds that to maximize the  
12 state's return on these investments, land use policies and practices  
13 must keep pace with progress being implemented in transportation  
14 infrastructure development.

15 The legislature recognizes that cities planning under chapter  
16 36.70A RCW require direction and technical assistance to ensure the  
17 benefits of state transportation investments are maximized and shared  
18 equitably while avoiding unnecessary programmatic and cost burdens to  
19 local governments in their comprehensive planning, code enactment,  
20 and permit processing workloads. The legislature further recognizes

1 that regulatory flexibility and local control are also important  
2 features of optimal planning outcomes.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.01  
4 RCW to read as follows:

5 (1) The department must create a new division within its agency  
6 or expand an existing division within its agency to do the following:

7 (a) Provide technical assistance and award planning grants to  
8 cities to implement the requirements under section 6 of this act;

9 (b) Provide compliance review of any transit-oriented development  
10 regulations adopted consistent with section 6 of this act; and

11 (c) Mediate or help resolve disputes between the department,  
12 local governments, and project proponents regarding land use  
13 decisions and processing development permit applications.

14 (2) The department must adopt any rules necessary to implement  
15 this section.

16 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.01  
17 RCW to read as follows:

18 (1) The department, in consultation with the department of  
19 commerce, must establish and administer a competitive grant program  
20 to assist in the financing of housing projects within rapid transit  
21 corridors.

22 (2) Entities eligible to receive grant awards are state agencies,  
23 local governments, and nonprofit or for-profit housing developers.  
24 Eligible uses of grant awards include project capital costs and  
25 infrastructure costs and addressing gaps in project financing that  
26 would prevent ongoing or complete project construction.

27 (3)(a) Except as provided in (b) of this subsection, eligible  
28 housing projects must meet the following requirements:

29 (i) Be within one-quarter mile of a rapid transit corridor. For  
30 purposes of this section, "rapid transit corridor" includes light  
31 rail, commuter rail, bus rapid transit, and bus stops that meet  
32 certain high-use thresholds as defined in rule;

33 (ii) Comply with floor area ratio or net density minimums as  
34 defined in rule;

35 (iii) Produce at least 100 units of housing; and

36 (iv) Include a covenant on the property requiring at least 20  
37 percent of units remain affordable for households with incomes at or  
38 below 80 percent of area median income for at least 99 years.

1 (b) No more than five percent of grant funds may be awarded to  
2 housing projects within rapid transit corridors that meet the  
3 requirements under (a) of this subsection, except for requirements  
4 under (a)(i) or (iii) of this subsection.

5 (4) The department must prioritize eligible projects by occupancy  
6 date, with a target occupancy date of December 31, 2025. The  
7 department must also consider the following criteria when  
8 prioritizing projects:

- 9 (a) Are comprised of the largest percentage of affordable units;
- 10 (b) Have a high concentration of units affordable to households  
11 with incomes at or below 50 percent area median income;
- 12 (c) Do not include costs related to land acquisition;
- 13 (d) Include land acquired at a reduced price or without cost;
- 14 (e) Abide by antidisplacement measures, if appropriate;
- 15 (f) Submitted by community-based housing developers;
- 16 (g) Include units with additional bedrooms or intended for  
17 occupancy by families with multiple dependents; or
- 18 (h) Have acquired all necessary permits.

19 (5) The department may adopt any necessary rules to implement the  
20 competitive grant program under this section, including any  
21 additional project eligibility criteria and prioritization criteria.

22 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.01  
23 RCW to read as follows:

24 (1) The transit-oriented development housing partnership account  
25 is created in the custody of the state treasurer.

26 (2) Revenues to the account must consist of appropriations by the  
27 legislature and any gifts, grants, donations, or other private  
28 contribution received by the secretary for the purposes set forth in  
29 subsection (3) of this section.

30 (3) Expenditures from the account may be used only for the  
31 following:

32 (a) Administration of the competitive grant program under section  
33 3 of this act, including any technical assistance provided by the  
34 department to eligible entities; and

35 (b) Costs related to technical assistance, awarding planning  
36 grants, compliance review, and resolution services provided by the  
37 department under section 2 of this act.

38 (4) Only the secretary or the secretary's designee may authorize  
39 expenditures from the account. The account is subject to allotment

1 procedures under chapter 43.88 RCW, but an appropriation is not  
2 required for expenditures.

3 **Sec. 5.** RCW 36.70A.030 and 2021 c 254 s 6 are each amended to  
4 read as follows:

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

7 (1) "Adopt a comprehensive land use plan" means to enact a new  
8 comprehensive land use plan or to update an existing comprehensive  
9 land use plan.

10 (2) "Affordable housing" means, unless the context clearly  
11 indicates otherwise, residential housing whose monthly costs,  
12 including utilities other than telephone, do not exceed thirty  
13 percent of the monthly income of a household whose income is:

14 (a) For rental housing, sixty percent of the median household  
15 income adjusted for household size, for the county where the  
16 household is located, as reported by the United States department of  
17 housing and urban development; or

18 (b) For owner-occupied housing, (~~eighty~~) 80 percent of the  
19 median household income adjusted for household size, for the county  
20 where the household is located, as reported by the United States  
21 department of housing and urban development.

22 (3) "Agricultural land" means land primarily devoted to the  
23 commercial production of horticultural, viticultural, floricultural,  
24 dairy, apiary, vegetable, or animal products or of berries, grain,  
25 hay, straw, turf, seed, Christmas trees not subject to the excise tax  
26 imposed by RCW 84.33.100 through 84.33.140, finfish in upland  
27 hatcheries, or livestock, and that has long-term commercial  
28 significance for agricultural production.

29 (4) "City" means any city or town, including a code city.

30 (5) "Comprehensive land use plan," "comprehensive plan," or  
31 "plan" means a generalized coordinated land use policy statement of  
32 the governing body of a county or city that is adopted pursuant to  
33 this chapter.

34 (6) "Critical areas" include the following areas and ecosystems:

35 (a) Wetlands; (b) areas with a critical recharging effect on aquifers  
36 used for potable water; (c) fish and wildlife habitat conservation  
37 areas; (d) frequently flooded areas; and (e) geologically hazardous  
38 areas. "Fish and wildlife habitat conservation areas" does not  
39 include such artificial features or constructs as irrigation delivery

1 systems, irrigation infrastructure, irrigation canals, or drainage  
2 ditches that lie within the boundaries of and are maintained by a  
3 port district or an irrigation district or company.

4 (7) "Department" means the department of commerce.

5 (8) "Development regulations" or "regulation" means the controls  
6 placed on development or land use activities by a county or city,  
7 including, but not limited to, zoning ordinances, critical areas  
8 ordinances, shoreline master programs, official controls, planned  
9 unit development ordinances, subdivision ordinances, and binding site  
10 plan ordinances together with any amendments thereto. A development  
11 regulation does not include a decision to approve a project permit  
12 application, as defined in RCW 36.70B.020, even though the decision  
13 may be expressed in a resolution or ordinance of the legislative body  
14 of the county or city.

15 (9) "Emergency housing" means temporary indoor accommodations for  
16 individuals or families who are homeless or at imminent risk of  
17 becoming homeless that is intended to address the basic health, food,  
18 clothing, and personal hygiene needs of individuals or families.  
19 Emergency housing may or may not require occupants to enter into a  
20 lease or an occupancy agreement.

21 (10) "Emergency shelter" means a facility that provides a  
22 temporary shelter for individuals or families who are currently  
23 homeless. Emergency shelter may not require occupants to enter into a  
24 lease or an occupancy agreement. Emergency shelter facilities may  
25 include day and warming centers that do not provide overnight  
26 accommodations.

27 (11) "Extremely low-income household" means a single person,  
28 family, or unrelated persons living together whose adjusted income is  
29 at or below (~~thirty~~) 30 percent of the median household income  
30 adjusted for household size, for the county where the household is  
31 located, as reported by the United States department of housing and  
32 urban development.

33 (12) "Floor area ratio" means a measure of development intensity  
34 equal to building square footage divided by property square footage.

35 (13) "Forestland" means land primarily devoted to growing trees  
36 for long-term commercial timber production on land that can be  
37 economically and practically managed for such production, including  
38 Christmas trees subject to the excise tax imposed under RCW 84.33.100  
39 through 84.33.140, and that has long-term commercial significance. In  
40 determining whether forestland is primarily devoted to growing trees

1 for long-term commercial timber production on land that can be  
2 economically and practically managed for such production, the  
3 following factors shall be considered: (a) The proximity of the land  
4 to urban, suburban, and rural settlements; (b) surrounding parcel  
5 size and the compatibility and intensity of adjacent and nearby land  
6 uses; (c) long-term local economic conditions that affect the ability  
7 to manage for timber production; and (d) the availability of public  
8 facilities and services conducive to conversion of forestland to  
9 other uses.

10 ~~((13))~~ (14) "Freight rail dependent uses" means buildings and  
11 other infrastructure that are used in the fabrication, processing,  
12 storage, and transport of goods where the use is dependent on and  
13 makes use of an adjacent short line railroad. Such facilities are  
14 both urban and rural development for purposes of this chapter.  
15 "Freight rail dependent uses" does not include buildings and other  
16 infrastructure that are used in the fabrication, processing, storage,  
17 and transport of coal, liquefied natural gas, or "crude oil" as  
18 defined in RCW 90.56.010.

19 ~~((14))~~ (15) "Geologically hazardous areas" means areas that  
20 because of their susceptibility to erosion, sliding, earthquake, or  
21 other geological events, are not suited to the siting of commercial,  
22 residential, or industrial development consistent with public health  
23 or safety concerns.

24 ~~((15))~~ (16) "Long-term commercial significance" includes the  
25 growing capacity, productivity, and soil composition of the land for  
26 long-term commercial production, in consideration with the land's  
27 proximity to population areas, and the possibility of more intense  
28 uses of the land.

29 ~~((16))~~ (17) "Low-income household" means a single person,  
30 family, or unrelated persons living together whose adjusted income is  
31 at or below ~~((eighty))~~ 80 percent of the median household income  
32 adjusted for household size, for the county where the household is  
33 located, as reported by the United States department of housing and  
34 urban development.

35 ~~((17))~~ (18) "Major transit station" means a site within an  
36 urban growth area that is, or has been funded for development as:

37 (a) A stop on a high capacity transportation system funded or  
38 expanded under chapter 81.104 RCW;

39 (b) A commuter rail stop; or

1 (c) A stop on rail or fixed guideway systems, including  
2 transitways.

3 (19) "Major transit stop" means a site within an urban growth  
4 area that is, or has been funded for development as:

5 (a) A major transit station characterized by fostering the  
6 interconnection of multiple transit routes, including at least one of  
7 the following modes: High capacity transit, light rail, or commuter  
8 rail;

9 (b) A stop on a high capacity transit route or a route that runs  
10 on high occupancy vehicle lanes; or

11 (c) A fixed route transit stop providing frequent transit service  
12 that operates seven days per week with a minimum of three buses per  
13 hour for a span of at least 10 hours a day during weekdays.

14 (20) "Minerals" include gravel, sand, and valuable metallic  
15 substances.

16 ~~((18))~~ (21) "Moderate-income household" means a single person,  
17 family, or unrelated persons living together whose adjusted income is  
18 at or below 120 percent of the median household income adjusted for  
19 household size, for the county where the household is located, as  
20 reported by the United States department of housing and urban  
21 development.

22 ~~((19))~~ (22) "Permanent supportive housing" is subsidized,  
23 leased housing with no limit on length of stay that prioritizes  
24 people who need comprehensive support services to retain tenancy and  
25 utilizes admissions practices designed to use lower barriers to entry  
26 than would be typical for other subsidized or unsubsidized rental  
27 housing, especially related to rental history, criminal history, and  
28 personal behaviors. Permanent supportive housing is paired with on-  
29 site or off-site voluntary services designed to support a person  
30 living with a complex and disabling behavioral health or physical  
31 health condition who was experiencing homelessness or was at imminent  
32 risk of homelessness prior to moving into housing to retain their  
33 housing and be a successful tenant in a housing arrangement, improve  
34 the resident's health status, and connect the resident of the housing  
35 with community-based health care, treatment, or employment services.  
36 Permanent supportive housing is subject to all of the rights and  
37 responsibilities defined in chapter 59.18 RCW.

38 ~~((20))~~ (23) "Public facilities" include streets, roads,  
39 highways, sidewalks, street and road lighting systems, traffic

1 signals, domestic water systems, storm and sanitary sewer systems,  
2 parks and recreational facilities, and schools.

3 ~~((21))~~ (24) "Public services" include fire protection and  
4 suppression, law enforcement, public health, education, recreation,  
5 environmental protection, and other governmental services.

6 ~~((22))~~ (25) "Recreational land" means land so designated under  
7 RCW 36.70A.1701 and that, immediately prior to this designation, was  
8 designated as agricultural land of long-term commercial significance  
9 under RCW 36.70A.170. Recreational land must have playing fields and  
10 supporting facilities existing before July 1, 2004, for sports played  
11 on grass playing fields.

12 ~~((23))~~ (26) "Rural character" refers to the patterns of land  
13 use and development established by a county in the rural element of  
14 its comprehensive plan:

15 (a) In which open space, the natural landscape, and vegetation  
16 predominate over the built environment;

17 (b) That foster traditional rural lifestyles, rural-based  
18 economies, and opportunities to both live and work in rural areas;

19 (c) That provide visual landscapes that are traditionally found  
20 in rural areas and communities;

21 (d) That are compatible with the use of the land by wildlife and  
22 for fish and wildlife habitat;

23 (e) That reduce the inappropriate conversion of undeveloped land  
24 into sprawling, low-density development;

25 (f) That generally do not require the extension of urban  
26 governmental services; and

27 (g) That are consistent with the protection of natural surface  
28 water flows and groundwater and surface water recharge and discharge  
29 areas.

30 ~~((24))~~ (27) "Rural development" refers to development outside  
31 the urban growth area and outside agricultural, forest, and mineral  
32 resource lands designated pursuant to RCW 36.70A.170. Rural  
33 development can consist of a variety of uses and residential  
34 densities, including clustered residential development, at levels  
35 that are consistent with the preservation of rural character and the  
36 requirements of the rural element. Rural development does not refer  
37 to agriculture or forestry activities that may be conducted in rural  
38 areas.

39 ~~((25))~~ (28) "Rural governmental services" or "rural services"  
40 include those public services and public facilities historically and



1 typically delivered at an intensity usually found in rural areas, and  
2 may include domestic water systems, fire and police protection  
3 services, transportation and public transit services, and other  
4 public utilities associated with rural development and normally not  
5 associated with urban areas. Rural services do not include storm or  
6 sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).

7 ~~((26))~~ (29) "Short line railroad" means those railroad lines  
8 designated class II or class III by the United States surface  
9 transportation board.

10 ~~((27))~~ (30) "Station area" means all parcels that are (a) fully  
11 within an urban growth area and (b) fully or partially within a  
12 three-quarter mile walking distance of a major transit stop. A city  
13 planning under RCW 36.70A.040 may adopt a station area variance, but  
14 only after consultation with and approval by the department of  
15 transportation.

16 (31) "Station hub" means all parcels that are (a) fully within an  
17 urban growth area and (b) fully or partially within a one-quarter  
18 mile walking distance of a major transit station. A city planning  
19 under RCW 36.70A.040 may adopt a station hub variance, but only after  
20 consultation with and approval by the department of transportation.

21 (32) "Transit-oriented density" means a floor area ratio of at  
22 least 4.0 for all uses that are permitted in the station area, and a  
23 floor area of at least 6.0 for all uses that are permitted in the  
24 station hub.

25 (33) "Urban governmental services" or "urban services" include  
26 those public services and public facilities at an intensity  
27 historically and typically provided in cities, specifically including  
28 storm and sanitary sewer systems, domestic water systems, street  
29 cleaning services, fire and police protection services, public  
30 transit services, and other public utilities associated with urban  
31 areas and normally not associated with rural areas.

32 ~~((28))~~ (34) "Urban growth" refers to growth that makes  
33 intensive use of land for the location of buildings, structures, and  
34 impermeable surfaces to such a degree as to be incompatible with the  
35 primary use of land for the production of food, other agricultural  
36 products, or fiber, or the extraction of mineral resources, rural  
37 uses, rural development, and natural resource lands designated  
38 pursuant to RCW 36.70A.170. A pattern of more intensive rural  
39 development, as provided in RCW 36.70A.070(5)(d), is not urban  
40 growth. When allowed to spread over wide areas, urban growth

1 typically requires urban governmental services. "Characterized by  
2 urban growth" refers to land having urban growth located on it, or to  
3 land located in relationship to an area with urban growth on it as to  
4 be appropriate for urban growth.

5 ~~((29))~~ (35) "Urban growth areas" means those areas designated  
6 by a county pursuant to RCW 36.70A.110.

7 ~~((30))~~ (36) "Very low-income household" means a single person,  
8 family, or unrelated persons living together whose adjusted income is  
9 at or below ~~((fifty))~~ 50 percent of the median household income  
10 adjusted for household size, for the county where the household is  
11 located, as reported by the United States department of housing and  
12 urban development.

13 ~~((31))~~ (37) "Wetland" or "wetlands" means areas that are  
14 inundated or saturated by surface water or groundwater at a frequency  
15 and duration sufficient to support, and that under normal  
16 circumstances do support, a prevalence of vegetation typically  
17 adapted for life in saturated soil conditions. Wetlands generally  
18 include swamps, marshes, bogs, and similar areas. Wetlands do not  
19 include those artificial wetlands intentionally created from  
20 nonwetland sites, including, but not limited to, irrigation and  
21 drainage ditches, grass-lined swales, canals, detention facilities,  
22 wastewater treatment facilities, farm ponds, and landscape amenities,  
23 or those wetlands created after July 1, 1990, that were  
24 unintentionally created as a result of the construction of a road,  
25 street, or highway. Wetlands may include those artificial wetlands  
26 intentionally created from nonwetland areas created to mitigate  
27 conversion of wetlands.

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

30 (1) Cities planning under RCW 36.70A.040 may not enact or enforce  
31 any development regulation within a station area that would prohibit  
32 the siting of multifamily residential housing on parcels where any  
33 other residential use is permissible.

34 (2) Within any station area or station hub, any maximum floor  
35 area ratio otherwise enacted or enforceable under this section must  
36 include an increased density bonus of 50 percent for affordable  
37 housing for households with incomes at or below 60 percent area  
38 median income, for permanent supportive housing, or for long-term  
39 inpatient care as defined in RCW 71.24.025. Any floor area within a

1 station area that is reserved for use by (a) a child care facility as  
2 defined in RCW 35.63.170 or (b) a small business as defined in RCW  
3 19.85.020, and residential units in multifamily housing that includes  
4 at least three bedrooms, must not be counted toward applicable floor  
5 area ratio limits.

6 (3)(a) Except as provided in (c) of this subsection, cities  
7 planning under RCW 36.70A.040 may not enact any new development  
8 regulation that imposes a maximum floor area ratio of less than the  
9 applicable transit-oriented density for any use otherwise permitted  
10 within a station area or station hub.

11 (b) Cities planning under RCW 36.70A.040 may not enact any new  
12 development regulation that imposes a maximum residential density,  
13 measured in residential units per acre or other metric of land area  
14 within a station area or station hub.

15 (c) As an alternative to (a) of this subsection, cities planning  
16 under RCW 36.70A.040 may by ordinance designate parts of a station  
17 area or station hub in which to enact or enforce floor area ratios  
18 that are more or less than the applicable transit-oriented density,  
19 if:

20 (i) The average maximum floor area ratio of all buildable land  
21 within a station area or station hub is no less than the applicable  
22 transit-oriented density; and

23 (ii) No part of a station hub is subject to a maximum floor area  
24 ratio that is less than 1.0, and no part of a station area is subject  
25 to a maximum floor area ratio that is less than 0.5.

26 (4) Any city planning under RCW 36.70A.040 that has, as of the  
27 effective date of this section, enacted any development regulation  
28 that imposes within any station area or station hub (a) a maximum  
29 floor area ratio of less than the applicable transit-oriented density  
30 or (b) a maximum residential density measured in residential units  
31 per acre or other metric of land area, the city must enforce and  
32 apply such development regulation consistent with the requirements of  
33 this section.

34 (5)(a) Except as provided in (b) of this subsection, cities  
35 planning under RCW 36.70A.040 may not enforce upon any parcel in a  
36 station area any development standard that renders it impracticable  
37 on that parcel to build a usable structure for the permitted uses at  
38 the (i) applicable transit-oriented density or (ii) applicable floor  
39 area ratio imposed under subsection (3)(c) of this section.

1 (b) This subsection (5) does not apply to development standards  
2 contained in a shoreline master program or critical area ordinance,  
3 or to any parcel that:

4 (i) Is nonconforming, legally or otherwise, with applicable local  
5 subdivision standards including, but not limited to, standards  
6 related to lot width, area, geometry, or street access; or

7 (ii) Is listed in the Washington heritage register described in  
8 RCW 27.34.220 or the national register of historic places.

9 (6) Any city subject to the requirements of this section may  
10 apply to the department of transportation for planning grants and  
11 consult with the department of transportation for purposes of  
12 obtaining technical assistance and compliance review with development  
13 regulation adoption, pursuant to section 2 of this act.

14 (7) Nothing in this section requires alteration, displacement, or  
15 limitation of industrial uses or industrial areas within the urban  
16 growth area.

17 (8) (a) This section does not limit the amount of affordable  
18 housing that a city may require to be provided, either on-site or  
19 through an in-lieu payment, pursuant to a program enacted or expanded  
20 under RCW 36.70A.540.

21 (b) This section does not modify, limit, or supersede  
22 requirements under chapter 64.55 RCW.

23 (9) A city planning under RCW 36.70A.040 must comply with the  
24 requirements of this section, and collaborate with federally  
25 recognized tribes in accordance with RCW 36.70A.040(8) regarding such  
26 requirements, by the time of its next periodic comprehensive plan  
27 update required under RCW 36.70A.130.

28 **Sec. 7.** RCW 36.70A.500 and 2012 1st sp.s. c 1 s 310 are each  
29 amended to read as follows:

30 (1) The department of commerce shall provide management services  
31 for the growth management planning and environmental review fund  
32 created by RCW 36.70A.490. The department shall establish procedures  
33 for fund management. The department shall encourage participation in  
34 the grant or loan program by other public agencies. The department  
35 shall develop the grant or loan criteria, monitor the grant or loan  
36 program, and select grant or loan recipients in consultation with  
37 state agencies participating in the grant or loan program through the  
38 provision of grant or loan funds or technical assistance.

1 (2) A grant or loan may be awarded to a county or city that is  
2 required to or has chosen to plan under RCW 36.70A.040 and that is  
3 qualified pursuant to this section. The grant or loan shall be  
4 provided to assist a county or city in paying for the cost of  
5 preparing an environmental analysis under chapter 43.21C RCW, that is  
6 integrated with a comprehensive plan, subarea plan, plan element,  
7 countywide planning policy, development regulation, monitoring  
8 program, or other planning activity adopted under or implementing  
9 this chapter that:

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

12 (b) Encourages use of plans and information developed for  
13 purposes of complying with this chapter to satisfy requirements of  
14 other state programs.

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

17 (a) Demonstrate that it will prepare an environmental analysis  
18 pursuant to chapter 43.21C RCW and subsection (2) of this section  
19 that is integrated with a comprehensive plan, subarea plan, plan  
20 element, countywide planning policy, development regulations,  
21 monitoring program, or other planning activity adopted under or  
22 implementing this chapter;

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

27 (c) Demonstrate that procedures for review of development permit  
28 applications will be based on the integrated plans and environmental  
29 analysis;

30 (d) Include mechanisms to monitor the consequences of growth as  
31 it occurs in the plan area and to use the resulting data to update  
32 the plan, policy, or implementing mechanisms and associated  
33 environmental analysis;

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

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

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

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

6 (b) Identification and monitoring of system capacities for  
7 elements of the built environment, and to the extent appropriate, of  
8 the natural environment;

9 (c) Coordination with state, federal, and tribal governments in  
10 project review;

11 (d) Furtherance of important state objectives related to economic  
12 development, protection of areas of statewide significance, and  
13 siting of essential public facilities;

14 (e) Programs to improve the efficiency and effectiveness of the  
15 permitting process by greater reliance on integrated plans and  
16 prospective environmental analysis;

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

20 (g) Programs to identify environmental impacts and establish  
21 mitigation measures that provide effective means to satisfy  
22 concurrency requirements and establish project consistency with the  
23 plans; or

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

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

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

35 (7)(a) Subject to the availability of funds appropriated to the  
36 growth management planning and environmental review fund established  
37 in RCW 36.70A.490 in the omnibus transportation appropriations act  
38 for the purpose of awarding grants to cities to facilitate transit-  
39 oriented development, the department may use such grants to pay for  
40 the costs associated with the preparation of state environmental

1 policy act environmental impact statements, planned action  
2 ordinances, subarea plans, costs associated with the utilization of  
3 other tools under this chapter or the state environmental policy act,  
4 and the costs of local code adoption and implementation of such  
5 efforts.

6 (b) Grant awards under this subsection (7) may only fund efforts  
7 that address environmental impacts and consequences, alternatives,  
8 and mitigation measures in sufficient detail to allow the analysis to  
9 be adopted in whole or in part by applicants for development permits  
10 within the geographic area analyzed in the plan.

11 (8) In consultation with the department of transportation, the  
12 department shall prioritize applications for grants to facilitate  
13 transit-oriented development under subsection (7) of this section  
14 that maximize the following policy objectives in the area covered by  
15 a proposal:

16 (a) The total number of housing units authorized for new  
17 development in station areas, with specific attention to station  
18 hubs;

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

20 (c) Plans that exceed applicable transit-oriented densities for  
21 station areas and station hubs;

22 (d) Plans that authorize, but do not mandate, ground floor retail  
23 with housing above;

24 (e) Plans in areas that eliminate on-site parking requirements;

25 (f) Existence or establishment of incentive zoning, inclusionary  
26 housing, use of the multifamily tax exemption, or other tools to  
27 promote low-income housing in the area;

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

30 (h) Plans designed to maximize and increase the variety of  
31 allowable housing types and expected sale or rental rates; and

32 (i) Organization planning and financing of housing benefit  
33 districts.

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

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

37 (b) Bus rapid transit;

38 (c) High frequency bus service; or

39 (d) Park and ride lots.

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

3       ~~((In counties and cities planning under RCW 36.70A.040, minimum  
4 residential parking requirements mandated by municipal zoning  
5 ordinances for housing units constructed after July 1, 2019, are  
6 subject to the following requirements:~~

7       ~~(1) For housing units that are affordable to very low-income or  
8 extremely low-income individuals and that are located within one-  
9 quarter mile of a transit stop that receives transit service at least  
10 two times per hour for twelve or more hours per day, minimum  
11 residential parking requirements may be no greater than one parking  
12 space per bedroom or .75 space per unit. A city may require a  
13 developer to record a covenant that prohibits the rental of a unit  
14 subject to this parking restriction for any purpose other than  
15 providing for housing for very low-income or extremely low-income  
16 individuals. The covenant must address price restrictions and  
17 household income limits and policies if the property is converted to  
18 a use other than for low-income housing. A city may establish a  
19 requirement for the provision of more than one parking space per  
20 bedroom or .75 space per unit if the jurisdiction has determined a  
21 particular housing unit to be in an area with a lack of access to  
22 street parking capacity, physical space impediments, or other reasons  
23 supported by evidence that would make on-street parking infeasible  
24 for the unit.~~

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



1 ~~(3) For market rate multifamily housing units that are located~~  
2 ~~within one-quarter mile of a transit stop that receives transit~~  
3 ~~service from at least one route that provides service at least four~~  
4 ~~times per hour for twelve or more hours per day, minimum residential~~  
5 ~~parking requirements may be no greater than one parking space per~~  
6 ~~bedroom or .75 space per unit. A city or county 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.)) To encourage transit-oriented development and transit~~  
13 ~~use and resulting substantial environmental benefits, counties and~~  
14 ~~cities planning under RCW 36.70A.040 may not require off-street~~  
15 ~~parking as a condition of permitting development within a station~~  
16 ~~area, except for off-street parking that is permanently marked for~~  
17 ~~the exclusive use of individuals with disabilities.~~

18 If a project permit application within a station area, as defined  
19 in RCW 36.70B.020, does not provide parking in compliance with this  
20 section, the proposed absence of parking may not be treated as a  
21 basis for issuance of a determination of significance pursuant to  
22 chapter 43.21C RCW.

23 **Sec. 9.** RCW 43.21C.229 and 2020 c 87 s 1 are each amended to  
24 read as follows:

25 (1) ~~((In order))~~ The purpose of this section is to provide cities  
26 and counties with additional flexibility to accommodate infill  
27 development, as well as to facilitate the timely and certain  
28 deployment of sustainable transit-oriented development, and thereby  
29 realize the goals and policies of comprehensive plans adopted  
30 according to chapter 36.70A RCW((7-a)).

31 (2) A city or county planning under RCW 36.70A.040 ((is  
32 authorized by this section to)) may establish categorical exemptions  
33 from the requirements of this chapter((. An exemption adopted under  
34 this section applies even if it differs from the categorical  
35 exemptions adopted by rule of the department under RCW  
36 43.21C.110(1)(a). An exemption may be adopted by a city or county  
37 under this section)) if it meets the following criteria:

38 (a) It categorically exempts government action related to  
39 development proposed to fill in an urban growth area, designated

1 according to RCW 36.70A.110, where current density and intensity of  
2 use in the area is roughly equal to or lower than called for in the  
3 goals and policies of the applicable comprehensive plan and the  
4 development is either:

5 (i) Residential development;

6 (ii) Mixed-use development; or

7 (iii) Commercial development up to (~~sixty-five thousand~~) 65,000  
8 square feet, excluding retail development;

9 (b) It does not exempt government action related to development  
10 that is inconsistent with the applicable comprehensive plan or would  
11 clearly exceed the density or intensity of use called for in the  
12 goals and policies of the applicable comprehensive plan;

13 (c) The local government considers the specific probable adverse  
14 environmental impacts of the proposed action and determines that  
15 these specific impacts are adequately addressed by the development  
16 regulations or other applicable requirements of the comprehensive  
17 plan, subarea plan element of the comprehensive plan, planned action  
18 ordinance, or other local, state, or federal rules or laws; and

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

23 (ii) The city or county has prepared an environmental impact  
24 statement that considers the proposed use or density and intensity of  
25 use in the area proposed for an exemption under this (~~section~~)  
26 subsection.

27 (~~(2) Any~~) (3) Any project action that meets the following  
28 criteria is categorically exempt from the requirements of this  
29 chapter:

30 (a) It is related to a proposed development that would fill in a  
31 station hub or station area as defined in RCW 36.70A.030;

32 (b) It is related to a proposed:

33 (i) Multifamily residential development;

34 (ii) Mixed-use development; or

35 (iii) Commercial development; and

36 (c) It is not inconsistent with the applicable comprehensive  
37 plan, and does not clearly exceed the density or intensity of use  
38 called for in the goals and policies of the applicable comprehensive  
39 plan.

1       (4) Any categorical exemption under this section applies even if  
2 it differs from the categorical exemptions adopted by rule of the  
3 department of ecology under RCW 43.21C.110(1)(a). However, any  
4 categorical exemption ((adopted by a city or county)) under this  
5 section ((shall be)) is subject to the rules of the department  
6 adopted according to RCW 43.21C.110(1)(a) that provide exceptions to  
7 the use of categorical exemptions adopted by the department.

8       NEW SECTION. Sec. 10. A new section is added to chapter 64.38  
9 RCW to read as follows:

10       Governing documents created after the effective date of this  
11 section and applicable to associations located fully or partially  
12 within a station area as defined in RCW 36.70A.030 may not prohibit  
13 the construction or development of multifamily housing or transit-  
14 oriented density that must be permitted by cities under section 6 of  
15 this act or require off-street parking inconsistent or in conflict  
16 with RCW 36.70A.620.

17       NEW SECTION. Sec. 11. A new section is added to chapter 64.90  
18 RCW to read as follows:

19       Declarations and governing documents created after the effective  
20 date of this section and applicable to a common interest community  
21 located fully or partially within a station area as defined in RCW  
22 36.70A.030 may not prohibit the construction or development of  
23 multifamily housing or transit-oriented density that must be  
24 permitted by cities under section 6 of this act or require off-street  
25 parking inconsistent or in conflict with RCW 36.70A.620.

26       NEW SECTION. Sec. 12. A new section is added to chapter 64.34  
27 RCW to read as follows:

28       A declaration created after the effective date of this section  
29 and applicable to an association located fully or partially within a  
30 station area as defined in RCW 36.70A.030 may not prohibit the  
31 construction or development of multifamily housing or transit-  
32 oriented density that must be permitted by cities under section 6 of  
33 this act or require off-street parking inconsistent or in conflict  
34 with RCW 36.70A.620.

35       NEW SECTION. Sec. 13. A new section is added to chapter 64.32  
36 RCW to read as follows:

1       A declaration created after the effective date of this section  
2 and applicable to an association of apartment owners located fully or  
3 partially within a station area as defined in RCW 36.70A.030 may not  
4 prohibit the construction or development of multifamily housing or  
5 transit-oriented density that must be permitted by cities under  
6 section 6 of this act or require off-street parking inconsistent or  
7 in conflict with RCW 36.70A.620.

--- **END** ---