## ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1110

AS AMENDED BY THE SENATE

Passed Legislature - 2023 Regular Session

## State of Washington 68th Legislature 2023 Regular Session

**By** House Appropriations (originally sponsored by Representatives Bateman, Barkis, Reed, Taylor, Riccelli, Berry, Fitzgibbon, Peterson, Duerr, Lekanoff, Alvarado, Street, Ryu, Ramel, Cortes, Doglio, Macri, Mena, Gregerson, Thai, Bergquist, Farivar, Wylie, Stonier, Pollet, Santos, Fosse, and Ormsby)

READ FIRST TIME 02/24/23.

AN ACT Relating to creating more homes for Washington by increasing middle housing in areas traditionally dedicated to singlefamily detached housing; 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.

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

9 NEW SECTION. Sec. 1. The legislature finds that Washington is facing an unprecedented housing crisis for its current population and 10 11 lack of housing choices, and is not likely to а meet the affordability goals for future populations. In order to meet the goal 12 of 1,000,000 new homes by 2044, and enhanced quality of life and 13 14 environmental protection, innovative housing policies will need to be 15 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.

3 Homes developed at higher densities are more affordable by design 4 for Washington residents both in their construction and reduced 5 household energy and transportation costs.

6 While creating more housing options, it is essential for cities 7 to identify areas at higher risk of displacement and establish 8 antidisplacement policies as required in Engrossed Second Substitute 9 House Bill No. 1220 (chapter 254, Laws of 2021).

10 The state has made historic investments in subsidized affordable 11 housing through the housing trust fund, yet even with these historic 12 investments, the magnitude of the housing shortage requires both 13 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 strategies for climate change, food security, and Puget Sound recovery, and save taxpayers and ratepayers money.

19 Sec. 2. RCW 36.70A.030 and 2021 c 254 s 6 are each amended to 20 read as follows:

21 Unless the context clearly requires otherwise, the definitions in 22 this section apply throughout this chapter.

(1) "Administrative design review" means a development permit 23 24 process whereby an application is reviewed, approved, or denied by the planning director or the planning director's designee based 25 solely on objective design and development standards without a public 26 predecision hearing, unless such review is otherwise required by 27 state or federal law, or the structure is a designated landmark or 28 historic district established under a local preservation ordinance. A 29 city may utilize public meetings, hearings, or voluntary review 30 31 boards to consider, recommend, or approve requests for variances from locally established design review standards. 32

33 <u>(2)</u> "Adopt a comprehensive land use plan" means to enact a new 34 comprehensive land use plan or to update an existing comprehensive 35 land use plan.

36 ((<del>(2)</del>)) <u>(3)</u> "Affordable housing" means, unless the context 37 clearly indicates otherwise, residential housing whose monthly costs, 38 including utilities other than telephone, do not exceed thirty 39 percent of the monthly income of a household whose income is:

1 (a) For rental housing, sixty percent of the median household 2 income adjusted for household size, for the county where the 3 household is located, as reported by the United States department of 4 housing and urban development; or

5 (b) For owner-occupied housing, eighty percent of the median 6 household income adjusted for household size, for the county where 7 the household is located, as reported by the United States department 8 of housing and urban development.

9 ((<del>(3)</del>)) <u>(4)</u> "Agricultural land" means land primarily devoted to 10 the commercial production of horticultural, viticultural, 11 floricultural, dairy, apiary, vegetable, or animal products or of 12 berries, grain, hay, straw, turf, seed, Christmas trees not subject 13 to the excise tax imposed by RCW 84.33.100 through 84.33.140, finfish 14 in upland hatcheries, or livestock, and that has long-term commercial 15 significance for agricultural production.

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((<del>(4)</del>)) <u>(5)</u> "City" means any city or town, including a code city.

17 (((5))) (6) "Comprehensive land use plan," "comprehensive plan," 18 or "plan" means a generalized coordinated land use policy statement 19 of the governing body of a county or city that is adopted pursuant to 20 this chapter.

((<del>(6)</del>)) <u>(7) "Cottage housing" means residential units on a lot</u> 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.

25 <u>(8) "Courtyard apartments" means up to four attached dwelling</u>
26 <u>units arranged on two or three sides of a yard or court.</u>

(9) "Critical areas" include the following areas and ecosystems: 27 (a) Wetlands; (b) areas with a critical recharging effect on aquifers 28 used for potable water; (c) fish and wildlife habitat conservation 29 areas; (d) frequently flooded areas; and (e) geologically hazardous 30 31 areas. "Fish and wildlife habitat conservation areas" does not 32 include such artificial features or constructs as irrigation delivery systems, irrigation infrastructure, irrigation canals, or drainage 33 ditches that lie within the boundaries of and are maintained by a 34 port district or an irrigation district or company. 35

36 (((-7))) (10) "Department" means the department of commerce.

37 ((<del>(8)</del>)) <u>(11)</u> "Development regulations" or "regulation" means the 38 controls placed on development or land use activities by a county or 39 city, including, but not limited to, zoning ordinances, critical 40 areas ordinances, shoreline master programs, official controls,

1 planned unit development ordinances, subdivision ordinances, and 2 binding site plan ordinances together with any amendments thereto. A 3 development regulation does not include a decision to approve a 4 project permit application, as defined in RCW 36.70B.020, even though 5 the decision may be expressed in a resolution or ordinance of the 6 legislative body of the county or city.

7 "Emergency housing" ((<del>(9)</del>)) (12) means temporary indoor accommodations for individuals or families who are homeless or at 8 imminent risk of becoming homeless that is intended to address the 9 basic health, food, clothing, and personal hygiene needs 10 of individuals or families. Emergency housing may or may not require 11 12 occupants to enter into a lease or an occupancy agreement.

13 (((10))) (13) "Emergency shelter" means a facility that provides 14 a temporary shelter for individuals or families who are currently 15 homeless. Emergency shelter may not require occupants to enter into a 16 lease or an occupancy agreement. Emergency shelter facilities may 17 include day and warming centers that do not provide overnight 18 accommodations.

19 (((11))) (14) "Extremely low-income household" means a single 20 person, family, or unrelated persons living together whose adjusted 21 income is at or below thirty percent of the median household income 22 adjusted for household size, for the county where the household is 23 located, as reported by the United States department of housing and 24 urban development.

25 ((((12))) (15) "Forestland" means land primarily devoted to growing trees for long-term commercial timber production on land that 26 can be economically and practically managed for such production, 27 28 including Christmas trees subject to the excise tax imposed under RCW 84.33.100 through 84.33.140, and that has long-term commercial 29 significance. In determining whether forestland is primarily devoted 30 31 to growing trees for long-term commercial timber production on land 32 that can be economically and practically managed for such production, 33 the following factors shall be considered: (a) The proximity of the land to urban, suburban, and rural settlements; (b) surrounding 34 parcel size and the compatibility and intensity of adjacent and 35 nearby land uses; (c) long-term local economic conditions that affect 36 the ability to manage for timber production; and (d) the availability 37 public facilities and services conducive to conversion of 38 of 39 forestland to other uses.

1 ((((13))) (16) "Freight rail dependent uses" means buildings and other infrastructure that are used in the fabrication, processing, 2 storage, and transport of goods where the use is dependent on and 3 makes use of an adjacent short line railroad. Such facilities are 4 both urban and rural development for purposes of this chapter. 5 6 "Freight rail dependent uses" does not include buildings and other 7 infrastructure that are used in the fabrication, processing, storage, and transport of coal, liquefied natural gas, or "crude oil" as 8 defined in RCW 90.56.010. 9

10 (((14))) (17) "Geologically hazardous areas" means areas that 11 because of their susceptibility to erosion, sliding, earthquake, or 12 other geological events, are not suited to the siting of commercial, 13 residential, or industrial development consistent with public health 14 or safety concerns.

15 (((15))) (18) "Long-term commercial significance" includes the 16 growing capacity, productivity, and soil composition of the land for 17 long-term commercial production, in consideration with the land's 18 proximity to population areas, and the possibility of more intense 19 uses of the land.

20 (((16))) (19) "Low-income household" means a single person, 21 family, or unrelated persons living together whose adjusted income is 22 at or below eighty percent of the median household income adjusted 23 for household size, for the county where the household is located, as 24 reported by the United States department of housing and urban 25 development.

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((<del>(17)</del>)) <u>(20) "Major transit stop" means:</u>

27 (a) A stop on a high capacity transportation system funded or
 28 expanded under the provisions of chapter 81.104 RCW;

29 (b) Commuter rail stops;

30 (c) Stops on rail or fixed guideway systems; or

31 (d) Stops on bus rapid transit routes.

32 (21) "Middle housing" means buildings that are compatible in 33 scale, form, and character with single-family houses and contain two 34 or more attached, stacked, or clustered homes including duplexes, 35 triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked 36 flats, courtyard apartments, and cottage housing.

37 <u>(22)</u> "Minerals" include gravel, sand, and valuable metallic 38 substances.

39 ((((18))) (23) "Moderate-income household" means a single person, 40 family, or unrelated persons living together whose adjusted income is 1 at or below 120 percent of the median household income adjusted for 2 household size, for the county where the household is located, as 3 reported by the United States department of housing and urban 4 development.

((((19))) (24) "Permanent supportive housing" is subsidized, 5 leased housing with no limit on length of stay that prioritizes 6 people who need comprehensive support services to retain tenancy and 7 utilizes admissions practices designed to use lower barriers to entry 8 than would be typical for other subsidized or unsubsidized rental 9 housing, especially related to rental history, criminal history, and 10 personal behaviors. Permanent supportive housing is paired with on-11 12 site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical 13 health condition who was experiencing homelessness or was at imminent 14 risk of homelessness prior to moving into housing to retain their 15 16 housing and be a successful tenant in a housing arrangement, improve 17 the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services. 18 Permanent supportive housing is subject to all of the rights and 19 responsibilities defined in chapter 59.18 RCW. 20

21 ((<del>(20)</del>)) <u>(25)</u> "Public facilities" include streets, roads, 22 highways, sidewalks, street and road lighting systems, traffic 23 signals, domestic water systems, storm and sanitary sewer systems, 24 parks and recreational facilities, and schools.

25 ((<del>(21)</del>)) <u>(26)</u> "Public services" include fire protection and 26 suppression, law enforcement, public health, education, recreation, 27 environmental protection, and other governmental services.

(((22))) (27) "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.

34 ((<del>(23)</del>)) <u>(28)</u> "Rural character" refers to the patterns of land 35 use and development established by a county in the rural element of 36 its comprehensive plan:

(a) In which open space, the natural landscape, and vegetationpredominate over the built environment;

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

1 (c) That provide visual landscapes that are traditionally found 2 in rural areas and communities;

3 (d) That are compatible with the use of the land by wildlife and4 for fish and wildlife habitat;

5 (e) That reduce the inappropriate conversion of undeveloped land 6 into sprawling, low-density development;

7 (f) That generally do not require the extension of urban 8 governmental services; and

9 (g) That are consistent with the protection of natural surface 10 water flows and groundwater and surface water recharge and discharge 11 areas.

12 ((<del>(24)</del>)) <u>(29)</u> "Rural development" refers to development outside the urban growth area and outside agricultural, forest, and mineral 13 resource lands designated pursuant to RCW 36.70A.170. Rural 14 15 development can consist of a variety of uses and residential densities, including clustered residential development, at levels 16 17 that are consistent with the preservation of rural character and the requirements of the rural element. Rural development does not refer 18 19 to agriculture or forestry activities that may be conducted in rural 20 areas.

21 ((<del>(25)</del>)) <u>(30)</u> "Rural governmental services" or "rural services" include those public services and public facilities historically and 22 23 typically delivered at an intensity usually found in rural areas, and include domestic water systems $((\tau))$  and 24 may fire and police 25 protection services ((, transportation and public transit services, and other public utilities)) associated with rural development and 26 27 normally not associated with urban areas. Rural services do not 28 include storm or sanitary sewers, except as otherwise authorized by 29 RCW 36.70A.110(4).

30 ((<del>(26)</del>)) <u>(31)</u> "Short line railroad" means those railroad lines 31 designated class II or class III by the United States surface 32 transportation board.

33 ((<del>(27)</del>)) <u>(32) "Single-family zones" means those zones where</u> 34 <u>single-family detached housing is the predominant land use.</u>

35 <u>(33) "Stacked flat" means dwelling units in a residential</u> 36 <u>building of no more than three stories on a residential zoned lot in</u> 37 <u>which each floor may be separately rented or owned.</u>

38 <u>(34) "Townhouses" means buildings that contain three or more</u> 39 <u>attached single-family dwelling units that extend from foundation to</u> 40 roof and that have a yard or public way on not less than two sides.

1 <u>(35)</u> "Urban governmental services" or "urban services" include 2 those public services and public facilities at an intensity 3 historically and typically provided in cities, specifically including 4 storm and sanitary sewer systems, domestic water systems, street 5 cleaning services, fire and police protection services, public 6 transit services, and other public utilities associated with urban 7 areas and normally not associated with rural areas.

((<del>(28)</del>)) <u>(36)</u> "Urban growth" refers to growth that makes 8 intensive use of land for the location of buildings, structures, and 9 impermeable surfaces to such a degree as to be incompatible with the 10 primary use of land for the production of food, other agricultural 11 products, or fiber, or the extraction of mineral resources, rural 12 uses, rural development, and natural resource lands designated 13 pursuant to RCW 36.70A.170. A pattern of more intensive rural 14 development, as provided in RCW 36.70A.070(5)(d), is not urban 15 16 growth. When allowed to spread over wide areas, urban growth 17 typically requires urban governmental services. "Characterized by urban growth" refers to land having urban growth located on it, or to 18 19 land located in relationship to an area with urban growth on it as to be appropriate for urban growth. 20

21 (((-29))) (37) "Urban growth areas" means those areas designated 22 by a county pursuant to RCW 36.70A.110.

(((30))) (38) "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.

((<del>(31)</del>)) (39) "Wetland" or "wetlands" means areas that are 29 30 inundated or saturated by surface water or groundwater at a frequency duration sufficient to support, and that under 31 and normal 32 circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally 33 include swamps, marshes, bogs, and similar areas. Wetlands do not 34 include those artificial wetlands intentionally created from 35 nonwetland sites, including, but not limited to, irrigation and 36 drainage ditches, grass-lined swales, canals, detention facilities, 37 wastewater treatment facilities, farm ponds, and landscape amenities, 38 39 or those wetlands created after July 1, 1990, that were 40 unintentionally created as a result of the construction of a road,

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street, or highway. Wetlands may include those artificial wetlands intentionally created from nonwetland areas created to mitigate conversion of wetlands.

4 <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 36.70A 5 RCW to read as follows:

6 (1) Except as provided in subsection (4) of this section, any 7 city that is required or chooses to plan under RCW 36.70A.040 must 8 provide by ordinance and incorporate into its development 9 regulations, zoning regulations, and other official controls, 10 authorization for the following:

(a) For cities with a population of at least 25,000 but less than
 75,000 based on office of financial management population estimates:

(i) The development of at least two units per lot on all lots zoned predominantly for residential use, unless zoning permitting higher densities or intensities applies;

16 (ii) The development of at least four units per lot on all lots 17 zoned predominantly for residential use, unless zoning permitting 18 higher densities or intensities applies, within one-quarter mile 19 walking distance of a major transit stop; and

(iii) The development of at least four units per lot on all lots zoned predominantly for residential use, unless zoning permitting higher densities or intensities applies, if at least one unit is affordable housing.

(b) For cities with a population of at least 75,000 based onoffice of financial management population estimates:

(i) The development of at least four units per lot on all lots
zoned predominantly for residential use, unless zoning permitting
higher densities or intensities applies;

(ii) The development of at least six units per lot on all lots zoned predominantly for residential use, unless zoning permitting higher densities or intensities applies, 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, unless zoning permitting higher densities or intensities applies, if at least two units are affordable housing.

37 (c) For cities with a population of less than 25,000, that are 38 within a contiguous urban growth area with the largest city in a 39 county with a population of more than 275,000, based on office of

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financial management population estimates the development of at least two units per lot on all lots zoned predominantly for residential use, unless zoning permitting higher densities or intensities applies.

To qualify for the additional units allowed under 5 (2)(a) 6 subsection (1) of this section, the applicant must commit to renting or selling the required number of units as affordable housing. The 7 units must be maintained as affordable for a term of at least 50 8 years, and the property must satisfy that commitment and all required 9 affordability and income eligibility conditions adopted by the local 10 11 government under this chapter. A city must require the applicant to 12 record a covenant or deed restriction that ensures the continuing rental of units subject to these affordability requirements 13 consistent with the conditions in chapter 84.14 RCW for a period of 14 no less than 50 years. The covenant or deed restriction must also 15 16 address criteria and policies to maintain public benefit if the 17 property is converted to a use other than which continues to provide 18 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 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.

35 (4)(a) As an alternative to the density requirements in 36 subsection (1) of this section, a city may implement the density 37 requirements in subsection (1) of this section for at least 75 38 percent of lots in the city that are primarily dedicated to single-39 family detached housing units.

1 (b) The 25 percent of lots for which the requirements of 2 subsection (1) of this section are not implemented must include but 3 are not limited to:

4 (i) Any areas within the city for which the department has
5 certified an extension of the implementation timelines under section
6 5 of this act due to the risk of displacement;

7 (ii) Any areas within the city for which the department has
8 certified an extension of the implementation timelines under section
9 7 of this act due to a lack of infrastructure capacity;

10 (iii) Any lots designated with critical areas or their buffers 11 that are exempt from the density requirements as provided in 12 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.

(c) Unless identified as at higher risk of displacement under RCW 36.70A.070(2)(g), the 25 percent of lots for which the requirements of subsection (1) of this section are not implemented may not include:

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

26 (ii) Any areas within one-half mile walking distance of a major 27 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.

32 (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 33 this section. A city may allow accessory dwelling units to achieve 34 the unit density required in subsection (1) of this section. Cities 35 are not required to allow accessory dwelling units or middle housing 36 types beyond the density requirements in subsection (1) of this 37 section. A city must also allow zero lot line short subdivision where 38 39 the number of lots created is equal to the unit density required in 40 subsection (1) of this section.

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(6) Any city subject to the requirements of this section:

2 (a) If applying design review for middle housing, only3 administrative design review shall be required;

(b) Except as provided in (a) of this subsection, shall not 4 require through development regulations any standards for middle 5 6 housing that are more restrictive than those required for detached 7 single-family residences, but may apply any objective development regulations that are required for detached single-family residences, 8 including, but not limited to, set-back, lot coverage, stormwater, 9 clearing, and tree canopy and retention requirements to ensure 10 compliance with existing ordinances intended to protect critical 11 12 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 lots smaller than 6,000 square feet before any zero lot line 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

30 (g) Are not required to achieve the per unit density under this 31 act on lots after subdivision below 1,000 square feet unless the city 32 chooses to enact smaller allowable lot sizes.

33 (7) The provisions of subsection (6)(d) through (f) of this 34 section do not apply:

35 (a) If a local government submits to the department an empirical 36 study prepared by a credentialed transportation or land use planning 37 expert that clearly demonstrates, and the department finds and 38 certifies, that the application of the parking limitations of 39 subsection (6) (d) through (f) of this section for middle housing will 40 be significantly less safe for vehicle drivers or passengers,

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1 pedestrians, or bicyclists than if the jurisdiction's parking 2 requirements were applied to the same location for the same number of 3 detached houses. The department must develop guidance to assist 4 cities on items to include in the study; or

5 (b) To portions of cities within a one-mile radius of a 6 commercial airport in Washington with at least 9,000,000 annual 7 enplanements.

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(8) The provisions of this section do not apply to:

9 (a) Lots designated with critical areas designated under RCW 10 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

15 (c) Lots that have been designated urban separators by countywide 16 planning policies as of the effective date of this section.

17 (9) Nothing in this section prohibits a city from permitting 18 detached single-family residences.

(10) Nothing in this section requires a city to issue a building permit if other federal, state, and local requirements for a building permit are not met.

22 (11) A city must comply with the requirements of this section on 23 the latter of:

(a) Six months after its next periodic comprehensive plan update
 required under RCW 36.70A.130 if the city meets the population
 threshold based on the 2020 office of financial management population
 data; or

(b) 12 months after their next implementation progress report required under RCW 36.70A.130 after a determination by the office of financial management that the city has reached a population threshold established under this section.

32 (12) A city complying with this section and not granted a 33 timeline extension under section 7 of this act does not have to 34 update its capital facilities plan element required by RCW 35 36.70A.070(3) to accommodate the increased housing required by this 36 act until the first periodic comprehensive plan update required for 37 the city under RCW 36.70A.130(5) that occurs on or after June 30, 38 2034.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 36.70A
 RCW to read as follows:

3 (1) (a) The department is directed to provide technical assistance
4 to cities as they implement the requirements under section 3 of this
5 act.

6 (b) The department shall prioritize such technical assistance to 7 cities demonstrating the greatest need.

8 (2)(a) The department shall publish model middle housing 9 ordinances no later than six months following the effective date of 10 this section.

(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.

(3) (a) The department is directed to establish a process by which cities implementing the requirements of section 3 of this act may seek approval of alternative local action necessary to meet the requirements of this act.

(b) The department may approve actions under this section for 21 cities that have, by January 1, 2023, adopted a comprehensive plan 22 that is substantially similar to the requirements of this act and 23 have adopted, or within one year of the effective date of this 24 25 section adopts, permanent development regulations that are substantially similar to the requirements of this act. In determining 26 whether a city's adopted comprehensive plan and permanent development 27 28 regulations are substantially similar, the department must find as 29 substantially similar plans and regulations that:

30 (i) Result in an overall increase in housing units allowed in 31 single-family zones that is at least 75 percent of the increase in 32 housing units allowed in single-family zones if the specific 33 provisions of this act were adopted;

34 (ii) Allow for middle housing throughout the city, rather than 35 just in targeted locations; and

36 (iii) Allow for additional density near major transit stops, and 37 for projects that incorporate dedicated affordable housing.

38 (c) The department may also approve actions under this section 39 for cities that have, by January 1, 2023, adopted a comprehensive 40 plan or development regulations that have significantly reduced or

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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:

6 (i) Result in an overall increase in housing units allowed in 7 single-family zones that is at least 75 percent of the increase in 8 housing units allowed in single-family zones if the specific 9 provisions of this act were adopted;

10 (ii) Allow for middle housing throughout the city, rather than 11 just in targeted locations; and

12 (iii) Allow for additional density near major transit stops, and 13 for projects that incorporate dedicated affordable housing.

(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 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.

(f) The department's final decision to approve or reject actions by cities implementing section 3 of this act may be appealed to the growth management hearings board by filing a petition as provided in RCW 36.70A.290.

(4) The department may issue guidance for local jurisdictions to ensure that the levels of middle housing zoning under this act can be integrated with the methods used by cities to calculate zoning densities and intensities in local zoning and development regulations.

34 <u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 36.70A 35 RCW to read as follows:

Any city choosing the alternative density requirements in section 37 3(4) of this act may apply to the department for, and the department 38 may certify, an extension for areas at risk of displacement as 39 determined by the antidisplacement analysis that a jurisdiction is required to complete under RCW 36.70A.070(2). The city must create a plan for implementing antidisplacement policies by their next implementation progress report required by RCW 36.70A.130(9). The department may certify one further extension based on evidence of significant ongoing displacement risk in the impacted area.

6 Sec. 6. RCW 36.70A.280 and 2011 c 360 s 17 are each amended to 7 read as follows:

8 (1) The growth management hearings board shall hear and determine 9 only those petitions alleging either:

10 (a) That, except as provided otherwise by this subsection, a state agency, county, or city planning under this chapter is not in 11 compliance with the requirements of this chapter, chapter 90.58 RCW 12 13 it relates to the adoption of shoreline master programs or as amendments thereto, or chapter 43.21C RCW as it relates to plans, 14 15 development regulations, or amendments, adopted under RCW 36.70A.040 16 or chapter 90.58 RCW. Nothing in this subsection authorizes the board to hear petitions alleging noncompliance with RCW 36.70A.5801; 17

(b) That the twenty-year growth management planning population projections adopted by the office of financial management pursuant to RCW 43.62.035 should be adjusted;

(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; ((<del>or</del>))

(e) That a department certification under RCW 36.70A.735(1)(c) is erroneous<u>; or</u>

29 (f) That the department's final decision to approve or reject 30 actions by a city implementing section 3 of this act is clearly 31 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.

38 (3) For purposes of this section "person" means any individual,39 partnership, corporation, association, state agency, governmental

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subdivision or unit thereof, or public or private organization or
 entity of any character.

3 (4) To establish participation standing under subsection (2)(b) 4 of this section, a person must show that his or her participation 5 before the county or city was reasonably related to the person's 6 issue as presented to the board.

7 (5) When considering a possible adjustment to a growth management 8 planning population projection prepared by the office of financial 9 management, the board shall consider the implications of any such 10 adjustment to the population forecast for the entire state.

11 The rationale for any adjustment that is adopted by the board 12 must be documented and filed with the office of financial management 13 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.

21 <u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 36.70A 22 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, transportation infrastructure, including facilities and transit services, 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 itscapital facilities plan to adequately increase capacity; or

35 (b) Identified which special district is responsible for 36 providing the necessary infrastructure if the infrastructure is 37 provided by a special purpose district.

(3) If an extension of the implementation timelines is requesteddue to lack of water supply from the city or the purveyors who serve

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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.

6 (4) An extension granted under this section remains in effect 7 until the earliest of:

8

(a) The infrastructure is improved to accommodate the capacity;

9 (b) The city's deadline to complete its next periodic 10 comprehensive plan update under RCW 36.70A.130; or

11 (c) The city's deadline to complete its implementation progress 12 report to the department as required under RCW 36.70A.130(9).

(5) A city that has received an extension under this section may 13 reapply for any needed extension with its next periodic comprehensive 14 plan update under RCW 36.70A.130 or its implementation progress 15 16 report to the department under RCW 36.70A.130(9). The application for 17 additional extension must include a list of infrastructure an improvements necessary to meet the capacity required in section 3 of 18 19 this act. Such additional extension must only be to address infrastructure deficiency that a city is not reasonably able to 20 21 address within the first extension.

22 (6) The department may establish by rule any standards or 23 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.

30 (8) A city granted an extension for a specific area must allow 31 development as provided under section 3 of this act if the developer 32 commits to providing the necessary water, sewer, or stormwater 33 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

1 availability. Nothing in this act affects or modifies the 2 responsibilities of cities to plan for or provide urban governmental 3 services as defined in RCW 36.70A.030 or affordable housing as 4 required by RCW 36.70A.070.

5 (10) No city shall approve a building permit for housing under 6 section 3 of this act without compliance with the adequate water 7 supply requirements of RCW 19.27.097.

8 (11) If an area zoned predominantly for residential use is 9 currently served only by on-site sewage systems, development may be 10 limited to two units per lot, until either the landowner or local 11 government provides sewer service or demonstrates a sewer system will 12 serve the development at the time of construction. Nothing in this 13 act affects or modifies the responsibilities of cities to plan for or 14 provide urban governmental services as defined in RCW 36.70A.030.

15 Sec. 8. RCW 43.21C.495 and 2022 c 246 s 3 are each amended to 16 read as follows:

17 (1) Adoption of ordinances, development regulations and 18 amendments to such regulations, and other nonproject actions taken by a city to implement: The actions specified in section 2, chapter 246, 19 Laws of 2022 unless the adoption of such ordinances, development 20 21 regulations and amendments to such regulations, or other nonproject 22 actions has a probable significant adverse impact on fish habitat; and the increased residential building capacity actions identified in 23 24 RCW 36.70A.600(1), with the exception of the action specified in RCW 25 36.70A.600(1)(f), are not subject to administrative or judicial appeals under this chapter. 26

27 (2) Amendments to development regulations and other nonproject
 28 actions taken by a city to implement the requirements under section 3
 29 of this act pursuant to section 4(3)(b) of this act are not subject
 30 to administrative or judicial appeals under this chapter.

31 Sec. 9. RCW 43.21C.450 and 2012 1st sp.s. c 1 s 307 are each 32 amended to read as follows:

33 The following nonproject actions are categorically exempt from 34 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

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1 associated with the proposed regulation were specifically addressed 2 in the prior environmental review;

3 (2) Amendments to development regulations that are required to 4 ensure consistency with a shoreline master program approved pursuant 5 to RCW 90.58.090, where the shoreline master program was previously 6 subjected to environmental review pursuant to this chapter and the 7 impacts associated with the proposed regulation were specifically 8 addressed in the prior environmental review;

9 (3) Amendments to development regulations that, upon 10 implementation of a project action, will provide increased 11 environmental protection, limited to the following:

12 (a) Increased protections for critical areas, such as enhanced13 buffers or setbacks;

14 (b) Increased vegetation retention or decreased impervious 15 surface areas in shoreline jurisdiction; and

16 (c) Increased vegetation retention or decreased impervious 17 surface areas in critical areas;

18 (4) Amendments to technical codes adopted by a county, city, or 19 town to ensure consistency with minimum standards contained in state 20 law, including the following:

21 (a) Building codes required by chapter 19.27 RCW;

22 (b) Energy codes required by chapter 19.27A RCW; and

23 (c) Electrical codes required by chapter 19.28 RCW.

24 (5) Amendments to development regulations to remove requirements 25 for parking from development proposed to fill in an urban growth area 26 designated according to RCW 36.70A.110.

27 <u>NEW SECTION.</u> Sec. 10. A new section is added to chapter 64.34 28 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 units as required in section 3 of this act.

34 <u>NEW SECTION.</u> Sec. 11. A new section is added to chapter 64.32 35 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 1 section 3 of this act may not actively or effectively prohibit the 2 construction, development, or use of additional housing units as 3 required in section 3 of this act.

<u>NEW SECTION.</u> Sec. 12. A new section is added to chapter 64.38
RCW to read as follows:

6 Governing documents of associations within cities subject to the 7 middle housing requirements in section 3 of this act that are created 8 after the effective date of this section may not actively or 9 effectively prohibit the construction, development, or use of 10 additional housing units as required in section 3 of this act.

11 <u>NEW SECTION.</u> Sec. 13. A new section is added to chapter 64.90 12 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.

19 <u>NEW SECTION.</u> Sec. 14. The department of commerce may establish 20 by rule any standards or procedures necessary to implement sections 2 21 through 7 of this act.

22 <u>NEW SECTION.</u> Sec. 15. If specific funding for the purposes of 23 this act, referencing this act by bill or chapter number, is not 24 provided by June 30, 2023, in the omnibus appropriations act, this 25 act is null and void.

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