

### **Special Legislative Update: Planners' Newsletter**

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# Planners' Update Newsletter: Legislative Update

Special edition: End of legislative session wrap-up. Gov. Jay Inslee finished signing the budget and bills listed below on March 31. Many of these bills will take effect in the new fiscal year. We'll work with counties, cities and staff across the state as these changes become law and new funds are available for this critical work.

## Planning grants

The Washington State Legislature made a series of historic investments in our communities this year. A \$10 million investment in funding for Growth Management Act (GMA) periodic updates, including the implementation of HB 1220 (2021), will be distributed annually throughout the full periodic update cycle.

The Legislature also invested \$7.5 million for cities in the Puget Sound region to expand housing choices and allow middle housing types in their development regulations. We are working out the final details of these grant packages, including



grant amounts, and will provide details on contract procedures later this spring. Eligible counties and cities may start incurring costs under the grants beginning July 1, 2022.

#### Periodic update timelines: HB 1241

HB 1241 changes the comprehensive plan periodic update cycle from an eight-year cycle to a 10-year cycle. For jurisdictions with a due date in 2024, it changes the due date from June 30 to Dec. 30, 2024. It also requires larger counties and cities with a population over 6,000 to prepare an implementation progress report due five years after the periodic update.

Counties required to produce an implementation progress report include King, Pierce, Snohomish, Kitsap, Whatcom, Thurston, Clark, Benton, Franklin and Spokane. The first implementation progress reports are due in 2029. Commerce is responsible for developing guidance and indicators to assist cities and counties with the implementation progress reports.

#### **Tribal participation in GMA planning: HB 1717**

This bill creates a framework for tribal participation in the growth management planning process. Tribes and local governments enter into a memorandum of agreement for collaboration and participation in the county or regional planning process. The bill also creates a role for Commerce to facilitate the resolution of any disputes between Tribes and local governments over planning issues. Upon request, Commerce will provide a Tribe with notices of proposed comprehensive plans or amendments to comprehensive plans provided by a city or county to Commerce.

#### **Urban growth areas: SB 5593**

This bill provides a framework for counties to adjust an urban growth area (UGA) boundary. By removing an area from the UGA, a county may add a new area of the same size without needing a land capacity analysis. To make such an adjustment, the following criteria must be met:

- There can be no change in the overall size of the UGA.
- The areas added cannot be designated or formerly designated as resource lands.
- The area added may not include more than 15% critical areas.
- The area added must be suitable for urban growth.
- The new area must show adequate public facilities for capital facilities and transportation elements are provided.
- The UGA may not be larger than needed to accommodate needed growth over the 20-year planning period.
- The area removed must not contain urban densities.
- The area added must be contiguous to the existing UGA.

#### Effective date for certain comprehensive plan amendments: SB 5042

This bill limits the effective date of certain comprehensive plan amendments. If a county expands the urban growth boundary, changes resource lands designations or expands the outer boundary of a limited area of more intense rural development, the effective date of the change must occur no sooner than 60 days after the date of publication. If the action is appealed, the effective date may not occur before the Growth Management Hearings Board issues its final decision.

# Enhancing opportunity in limited areas of more intense rural development: SB 5275

This bill allows more flexibility and options for redevelopment inside the logical outer boundary of a limited area of more intense rural development. It allows areas greater flexibility to evolve over time while maintaining essentially the same footprint of the original development. New uses are allowed if existing public facilities have sufficient capacity. The bill contains some limits on the size of new retail and food service uses.

#### SEPA exemption expansion: SB 5818

This bill makes several key changes to SEPA:

- Amends (RCW 36.70A.600) to encourage cities to take specific
  actions expanding housing supply. Previously, city adoption of these
  measures were precluded from appeal under SEPA, provided the city
  took action by April 2023. This bill makes this "safe harbor" incentive
  permanent by removing the sunset date.
- Amends the GMA housing element (<u>RCW 36.70A.070</u>) and SEPA (<u>RCW 43.21C.495</u>) to preclude SEPA appeals on the adoption of development regulations and other non-project actions that increase housing capacity, increase housing affordability and mitigate displacement.
- Amends SEPA (<u>RCW 43.21C.501</u>) to preclude appeals of residential development projects based on either aesthetics or light and glare, if the project is subject to design review. "Design review" is a formally adopted process by which cities review projects for compliance with design standards.
- Requires Ecology to update SEPA categorical exemption rules to increase the upper limits of optional flexible thresholds for housing developments, including increasing the upper limit for multifamily homes from 60 units to 200 units. Ecology is directed to add a procedural requirement to ensure impacts to the environment and the

state transportation network are addressed when exemption thresholds are raised.

 Creates a new section in SEPA to clarify that an applicant whose project qualifies as categorically exempt does not need to file a SEPA checklist if other information is available to establish that a project qualifies for an exemption.

# **SEPA** updates from Ecology

The safe harbor provisions that preclude SEPA appeals of various actions apply on the effective date of the bill. There is no associated rule



making. As directed by the bill, Ecology will update SEPA rules for categorical exemptions at WAC 197-11-800 by Dec. 31, 2022, using <a href="making">expedited rule making</a>. Ecology will also remove parking from the SEPA checklist as directed by the 2020 Legislature in <a href="making">ESHB 2343</a>. For more information, contact Ecology's Fran Sant at <a href="making:rran.sant@ecy.wa.gov">fran.sant@ecy.wa.gov</a> or 360-529-6375.

### What bills and concepts didn't make it

#### Climate change

The Legislature continued efforts to include climate change requirements in the Growth Management Act in <u>HB 1099</u>. Despite broad support, a last-minute detour into conference committee slowed the bill down and the legislative session clock ran out before a final House vote. This delay proved fatal to the bill when debates over the transportation budget took up valuable hours in the final days of session.

#### Housing

Housing affordability and housing production were major topics again this year. Gov. Inslee included a middle housing bill (HB 1782) as part of his legislative agenda. A broad coalition championed this bill, including the building industry, housing advocates and environmentalists. Despite the efforts of this diverse coalition, middle housing legislation didn't pass this session.

#### Permit timelines

A number of bills were to change the <u>Local Project Review Act</u>. Proposals included expanded reporting of permit timeline performance, further limitations on the ability to request new information, a reduction in permit

timelines for interior improvements, studies of permit timeline performance, and an incentive package to expand the use of permit tracking software.

#### Salmon

Several bills attempted to stop the continued decline of Washington salmon runs and improve the quality of salmon habitat. HB 1117 returned from last year with support from local governments, but failed to pass.

Gov. Inslee championed another salmon recovery bill, named the <u>Loraine Loomis Act</u>, in honor of one of Washington's most ardent champions of Tribal treaty rights and salmon. This bill faced stiff opposition and didn't pass.

# Salmon Recovery Stakeholder Group

Although the bills mentioned above did not pass, the budget includes increased funding for existing salmon habitat programs and funding for efforts to improve implementation of existing habitat protection authority. The Governor's Office will convene a broad group of stakeholders to attempt to reach agreement on a salmon recovery bill with enough support to pass the Legislature and successfully recover healthy salmon runs.

#### What's next?

#### **Collaborative Roadmap**



The Collaborative
Roadmap Phase III
project, which is studying
and recommending
reforms to the statutes that
make up Washington's
growth policy framework,
has an exciting 2022 in
store. The Phase III Task
Force met three times in

2021 and considered five different issues, eventually making formal recommendations on four of them. The Legislature reintroduced and considered several growth policy-related bills from the 2021 session that didn't pass, some of which implemented recommendations or considerations of the Task Force.

In the coming weeks, the Collaborative Roadmap team will begin engaging Tribes, cities, counties, special districts, businesses and industries, state agencies, and traditionally underrepresented voices in decision making to manage growth across Washington. The Task Force will examine major

issues, including annexation incentives, right-sizing GMA requirements, missing middle housing, and integrating growth planning across cities, counties, and other local and regional service providers. The Task Force will meet up to 10 times between May and November 2022 to study and make recommendations with input from various working groups and organizations.

For more information, visit the Department of Commerce's <u>Growth</u> <u>Management website</u>.

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