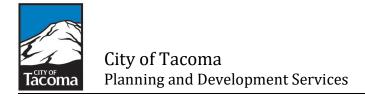
# Permitting Level of Service and Public Notice Code Amendment



## Permitting Level of Service and Public Notice Code Amendment

Staff Analysis Report May 1, 2024

An application to amend Tacoma Municipal Code (TMC) Section 13.05 in compliance with new state law related to new land use permit level of service and public notice comment periods.

Project Summary			
Project Title:	Permitting Level of Service and Public Notice Code Amendment		
Applicant:	City of Tacoma		
Location and Size of Area:	Citywide		
Neighborhood Council Area:	Citywide		
Staff Contact:	Jana Magoon, Land Use Division Manager, jmagoon@cityoftacoma.org		
Staff Recommendation:	<ul> <li>Staff proposes:</li> <li>Implement Substitute Senate Bill 5290 by making below changes:</li> <li>Land Use Permits without public notice must have final decision in 65 days, rather than 30 days</li> <li>Land Use Permit with public notice must have final decision in 100 days, rather than 120 days</li> <li>Land Use Permit with a public hearing must have final decision in 170 days, rather than 180 days</li> <li>Add 30 days to permit level of service when applicant's response takes longer than 60 days.</li> <li>Provide clarity related to pre-application meeting</li> <li>Implement Substitute House Bill 1105:</li> <li>Include first and last date to comment in public notice.</li> </ul>		
Project Proposal:	See Exhibit "A" – Draft Code		

#### 1. Area of Applicability

The proposed amendments would apply Citywide.

#### 2. Background

The City is proposing code updates to ensure that the City can meet requirements set forth in legislation adopted at the State level regarding land use permit level of service and public notice requirements. The State of Washington is mandating (Substitute Senate Bill 5290) that local jurisdictions meet new levels of service related to land use permitting. The new levels of service go into effect on January 1, 2025. Staff are bringing forward changes to Tacoma Municipal Code (TMC) 13.05 to reflect the required levels of service. Specifically:

- (a) A final decision for a land use permit that does not require public notice (such as a Boundary Line Adjustment and a 2-4 lot Short Plat) must be issued within 65 calendar days from complete application.
- (b) A final decision for a land use permit that requires a public notice but does not require a public hearing (such as a Variance, Shoreline Permit, or Conditional Use Permit) must be issued within 100 calendar days of complete application.
- (c) A final decision for a land use permit that requires a public hearing (such as a subdivision or rezone) must be issued within 170 calendar days of complete application.

There are certain events that "stop the clock" and/or extend the allowed level of service. However, if the City does not meet the required level of service, the City will incur financial penalties. Staff propose a minor change to the pre-application requirement that we believe is necessary to set the city up for success to meet required level of service.

Small changes are being made to other sections in TMC 13.05 which will result in better application packages and closing inactive permits. Both are necessary to streamline the permit process consistent with the mandate to reduce level of service.

The State is also mandating (Substitute House Bill 1107) that the required Public Notice be modified to state the date that public notice starts and the date public notice stops. The City's public notice currently just list the date public notices stop. This requirement goes into effect on June 6, 2024.

#### 3. Analysis

Staff analysis of this application has been conducted in accordance with TMC 13.02.070.F.2, which requires the following four provisions be addressed, as appropriate:

- A staff analysis of the application in accordance with the elements described in 13.02.070.D;
- An analysis of the consistency of the proposed amendment with State, regional and local planning mandates and guidelines;
- An analysis of the amendment options identified in the assessment report; and

• An assessment of the anticipated impacts of the proposal, including, but not limited to: economic impacts, noise, odor, shading, light and glare impacts, aesthetic impacts, historic impacts, visual impacts, and impacts to environmental health, equity and quality.

## a. A staff analysis of the application in accordance with the elements described in 13.02.070.D;

TMC 13.02.070.D, subsection 5.d.(1), requires that the following objectives shall be met by applications for the annual amendment:

Address inconsistencies or errors in the Comprehensive Plan or development regulations;
 Staff Response: This requested code change does not address inconsistencies or errors in the Comprehensive Plan or development regulations. Instead, the change is related to a state mandate.

## b. An analysis of the consistency of the proposed amendment with State, regional and local planning mandates and guidelines;

The code change is necessary for the City to be in compliance with the State of Washington mandates detailed in Substitute Senate Bill 5290 and Substitute House Bill 1107. The new levels of service go into effect on January 1, 2025 and the new public notice requirement goes into effect on June 6, 2024.

City policies pertaining to the proposed code changes, as detailed in the Economic Development Element of the *One Tacoma Comprehensive Plan*, include:

- Policy EC-4.1 Provide a positive, accessible and customer-oriented atmosphere to those seeking municipal services.
- Policy EC-4.2 Promote a culture throughout the City organization that continuously improves the quality, predictability, timeliness and cost of the development process.
- Policy EC-4.3 Encourage predictability and consistency in the City's land use regulations, while also allowing for flexibility and creativity in the site development process.

#### c. An analysis of the amendment options identified in the assessment report.

Not applicable. There are no significant options or alternative amendments under consideration. The code changes are needed in order for the City to be in in compliance with state law. If the proposed changes are not made, the City's code will not be in compliance with state law and the City. Regardless if the City adopts these amendments, the City is mandated to follow the state law and will do so accordingly.

d. An assessment of the anticipated impacts of the proposal, including, but not limited to: economic impacts, noise, odor, shading, light and glare impacts, aesthetic impacts, historic impacts, visual impacts, and impacts to environmental health, equity and quality.

The proposed amendments do not affect the City's standards for development, only the timelines and procedures for issuing permit decisions. The permit level of service standards would apply city-wide depending on the type of application.

Specific to the new levels of service, the code does put the burden on the City to issue decisions quicker and may result in budget impacts if the City has to hire additional staff and/or refund fees. In theory, by issuing decisions faster, development will get built faster and the developer will incur less cost.

Specific to the new public notice requirement, this is intended to provide clarity to the community when they can comment on a project. Clear communication during the permit process is key to building trust with the community.

#### 4. Public Outreach

Staff have communicated upcoming changes to the Tacoma Permit Advisory Task Force. Staff will conduct outreach to Neighborhood Councils, Neighborhood Business Districts, the Pierce County Master Builders Legislative Committee, and general public on the proposed changes.

#### 5. Recommendation

Staff recommends that the Planning Commission forward the draft code to the public for review and schedule a public hearing.

#### 6. Exhibit

• Exhibit "A" – Draft Code

#### 7. Supplemental Information

- Attachment "A" Substitute Senate Bill 5290
- Attachment "B" Substitute House Bill 1105

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#### DRAFT CODE - Level of Service and Public Notice Updates

#### TACOMA MUNICIPAL CODE 13.05.020.C.2

#### 2. Pre-Application Meeting

The pre-application meeting is a meeting between Department staff and an potential applicant for a land use permit to discuss review the application submittal requirements and pertinent fees documents. A pre-application meeting is required prior to submittal of an application for rezoning, platting, height variances, conditional use permit, shoreline management substantial development (including conditional use, variance, and revision), wetland/stream/Fish and Wildlife Habitat Conservation Area (FWHCA) development permits, wetland/stream/FWHCA minor development permits, and wetland/stream/FWHCA verifications. This requirement may be waived by the Department. The preapplication meeting is optional for other permits.

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#### TACOMA MUNICIPAL CODE 13.05.020.F

#### F. Inactive Applications.

- 1. If, upon request for payment, an applicant fails to pay within 30 days, the application may be considered inactive and the file may be closed.
- 2. If an applicant fails to submit information identified in the notice of incomplete application or a request for additional information within 120 days from the Department's notification mailing date, or does not communicate the need for additional time to submit information, the Department may consider the application inactive and, after notification to the applicant, may close out the file and refund a proportionate amount of the fees collected with the application.

\* \* \*

#### TACOMA MUNICIPAL CODE 13.05.020.J

- J. Time Periods for Decision on Application.
- 1. <u>Upon issuance of Complete Application, aA final</u> decision, <u>as defined in subsection 5</u>, on applications considered by the Director shall be made within <u>the time specified below</u>. <u>120 days of complete application</u>.
  - Final decision on permits that do not require a public notice shall be made within 65 calendar days
  - Final decision on permits that do require a public notice shall be made within 100 calendar days
     Final decision that requires a public hearing shall be made within 170 days
  - Applications within the jurisdiction of the Hearing Examiner shall be processed within the time limits set forth in Chapter 1.23. The notice of decision on a land use permit shall be issued (and postmarked) within the prescribed number of days after the Department notifies the applicant that the application is complete or is found complete as provided in Section 13.05.010.D.3.

- The following time periods shall be exempt from the time period requirement:
- a. Any period during which the applicant has been requested by the Department to correct plans, perform required studies, or provide additional required information due to the applicant's misrepresentation or inaccurate or insufficient information.
- b. Any period during which an environmental impact statement is being prepared; however, in no case shall the time period exceed one year, unless otherwise agreed to by the applicant and the City's responsible official for SEPA compliance.
- c. Any period after an applicant informs the local government, in writing, that they would like to temporarily suspend review of the project permit application until the time that the applicant notifies the local government, in writing, that they would like to resume the application. A local government may set conditions for the temporary suspension of a permit application; and
- ed. Any period for administrative appeals of land use permits.
- e. For Hearing Examiner Recommendations, that must be approved by City Council, any period after Hearing Examiner issued recommendation.
- <u>de</u>. Any extension for any reasonable period of time mutually agreed upon in writing between the applicant and the Department.
- 2. If, at any time, an applicant informs the local government, in writing, that the applicant would like to temporarily suspend the review of the project for more than 60 days, or if an applicant is not responsive for more than 60 consecutive days after the county or city has notified the applicant, in writing, that additional information is required to further process the application, an additional 30 days may be added to the time periods for local government action to issue a final decision for each type of project permit that is subject to this chapter. Any written notice from the local government to the applicant that additional information is required to further process the application must include a notice that nonresponsiveness for 60 consecutive days may result in 30 days being added to the time for review. For the purposes of this subsection, "nonresponsiveness" means that an applicant is not making demonstrable progress on providing additional requested information to the local government, or that there is no ongoing communication from the applicant to the local government on the applicant's ability or willingness to provide the additional information.
- 3. The time periods for a local government to process a permit shall start over if an applicant proposes a change in use that adds or removes commercial or residential elements from the original application that would make the application fail to meet the determination of procedural completeness for the new use, as required by the local government under RCW 36.70B.070.
- 24. The 120-day time period established in Section 13.05.020.J.1 for applications to the Director shall not apply in the following situations:
- a. If the permit requires approval of a new fully contained community as provided in RCW 36.70A.350, master planned resort as provided in RCW 36.70A.360, or the siting of an essential public facility as provided in RCW 36.70A.200.

b.If, at the applicant's request, there are substantial revisions to the project proposal, in which case the time period shall start from the date on which the revised project application is determined to be complete, per Section 13.05.020.E.3.

- 35. Decision when effective. A decision is considered final at the termination of an appeal period if no appeal is filed, or when a final decision on appeal has been made pursuant to either Chapter 1.23 or Chapter 1.70. In the case of a zoning reclassification, the City Council's decision on final reading of the reclassification ordinance shall be considered the final decision.
- 46. If unable to issue a final decision within the 120-day time period within the specified timeframe, a written notice shall be made to the applicant, including findings for the reasons why the time limit has not been met and the specified amount of time needed for the issuance of the final decision.
- 57. Time Computation. In computing any time period set forth in this chapter, the day of the act or event from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday, or a legal holiday, in which event the period runs until the end of the next day which is neither a Saturday, a Sunday, nor a legal holiday. Legal holidays are described in RCW 1.16.050.

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TACOMA MUNICIPAL CODE 13.05.070.F.2

F. Content of Public Notice and Notice of Application

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2. The notice of application shall contain the following information, where applicable, in whatever sequence is most appropriate for the proposal, per the requirements of RCW 36.70B.110. The notice shall be made available, at a minimum, in the project's online permit file, and by any other methods deemed appropriate:

\* \* \*

i. Public comment period (not less than 14 nor more than 30 days), to include start date and end date of public comment period, statement of right to comment on the application, receive notice of and participate in hearings, request a copy of the decision when made, and any appeal rights;

\* \* \*

TACOMA MUNICIPAL CODE 13.05.090.C

C. Timing of Decision.

After examining all pertinent information and making any inspections deemed necessary by the Director Upon issuance of a Complete Application, the Director shall issue a decision as set forth below, within 120 days from the date of notice of a complete application, unless additional time has been agreed to by the applicant, or for other reasons as stated in Section 13.05.020.

Permits that do not require public notice - final decision shall be issued within 65 days

#### Permits that require a public notice - final decision shall be issued within 100 calendar days

In the event the Director cannot act upon a land use matter within the time limits set forth, the Director shall notify the applicant in writing, setting forth reasons the matter cannot be acted upon within the time limitations prescribed, and estimating additional time necessary for completing the recommendation or decision.

#### CERTIFICATION OF ENROLLMENT

#### SECOND SUBSTITUTE SENATE BILL 5290

Chapter 338, Laws of 2023

68th Legislature 2023 Regular Session

PROJECT PERMITS—LOCAL PROJECT REVIEW—VARIOUS PROVISIONS

EFFECTIVE DATE: July 23, 2023—Except for section 7, which takes effect January 1, 2025.

Passed by the Senate April 17, 2023	CERTIFICATE		
Yeas 47 Nays 0	I, Sarah Bannister, Secretary of the Senate of the State of		
DENNY HECK	Washington, do hereby certify that		
President of the Senate	the attached is <b>SECOND SUBSTITUTE SENATE BILL 5290</b> as passed by the Senate and the House of		
Passed by the House April 10, 2023 Yeas 98 Nays 0	Representatives on the dates hereon set forth.		
LAURIE JINKINS	SARAH BANNISTER		
Speaker of the House of Representatives	Secretary		
Approved May 8, 2023 1:17 PM	FILED		
	May 10, 2023		

JAY INSLEE

Governor of the State of Washington

Secretary of State

State of Washington

#### SECOND SUBSTITUTE SENATE BILL 5290

#### AS AMENDED BY THE HOUSE

Passed Legislature - 2023 Regular Session

#### State of Washington

68th Legislature

2023 Regular Session

By Senate Ways & Means (originally sponsored by Senators Mullet, Kuderer, Fortunato, Liias, Nobles, Saldaña, and C. Wilson; by request of Office of the Governor)

READ FIRST TIME 02/24/23.

- 1 AN ACT Relating to consolidating local permit review processes;
- 2 amending RCW 36.70B.140, 36.70B.020, 36.70B.070, 36.70B.080, and
- 3 36.70B.160; reenacting and amending RCW 36.70B.110; adding new
- 4 sections to chapter 36.70B RCW; creating new sections; and providing
- 5 an effective date.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 **Sec. 1.** RCW 36.70B.140 and 1995 c 347 s 418 are each amended to 8 read as follows:
- 9 (1) A local government by ordinance or resolution may exclude the 10 following project permits from the provisions of RCW 36.70B.060
- 11 through 36.70B.090 and 36.70B.110 through 36.70B.130: Landmark
- 12 designations, street vacations, or other approvals relating to the
- 13 use of public areas or facilities, or other project permits, whether
- 14 administrative or quasi-judicial, that the local government by
- 15 ordinance or resolution has determined present special circumstances
- 16 that warrant a review process or time periods for approval which are
- 17 different from that provided in RCW 36.70B.060 through 36.70B.090 and
- 18 36.70B.110 through 36.70B.130.
- 19 (2) A local government by ordinance or resolution also may
- 20 exclude the following project permits from the provisions of RCW
- 21 36.70B.060 and 36.70B.110 through 36.70B.130: Lot line or boundary

- adjustments and building and other construction permits, or similar administrative approvals, categorically exempt from environmental review under chapter 43.21C RCW, or for which environmental review has been completed in connection with other project permits.
  - (3) A local government must exclude project permits for interior alterations from site plan review, provided that the interior alterations do not result in the following:
    - (a) Additional sleeping quarters or bedrooms;

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- 9 <u>(b) Nonconformity with federal emergency management agency</u>
  10 <u>substantial improvement thresholds; or</u>
- 11 <u>(c) Increase the total square footage or valuation of the</u> 12 <u>structure thereby requiring upgraded fire access or fire suppression</u> 13 <u>systems.</u>
- 14 <u>(4) Nothing in this section exempts interior alterations from</u>
  15 <u>otherwise applicable building, plumbing, mechanical, or electrical</u>
  16 <u>codes.</u>
- (5) For purposes of this section, "interior alterations" include construction activities that do not modify the existing site layout or its current use and involve no exterior work adding to the building footprint.
- NEW SECTION. Sec. 2. A new section is added to chapter 36.70B RCW to read as follows:
  - (1) Subject to the availability of funds appropriated for this specific purpose, the department of commerce must establish a consolidated permit review grant program. The department may award grants to any local government that provides, by ordinance, resolution, or other action, a commitment to the following building permit review consolidation requirements:
- 29 (a) Issuing final decisions on residential permit applications 30 within 45 business days or 90 calendar days.
- 31 (i) To achieve permit review within the stated time periods, a 32 local government must provide consolidated review for building permit 33 applications. This may include an initial technical peer review of 34 the application for conformity with the requirements of RCW 35 36.70B.070 by all departments, divisions, and sections of the local 36 government with jurisdiction over the project.
- 37 (ii) A local government may contract with a third-party business 38 to conduct the consolidated permit review or as additional inspection

staff. Any funds expended for such a contract may be eligible for reimbursement under this act.

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- (iii) Local governments are authorized to use grant funds to contract outside assistance to audit their development regulations to identify and correct barriers to housing development.
- (b) Establishing an application fee structure that would allow the jurisdiction to continue providing consolidated permit review within 45 business days or 90 calendar days.
- 9 (i) A local government may consult with local building 10 associations to develop a reasonable fee system.
  - (ii) A local government must determine, no later than July 1, 2024, the specific fee structure needed to provide permit review within the time periods specified in this subsection (1)(b).
    - (2) A jurisdiction that is awarded a grant under this section must provide a quarterly report to the department of commerce. The report must include the average and maximum time for permit review during the jurisdiction's participation in the grant program.
    - (3) If a jurisdiction is unable to successfully meet the terms and conditions of the grant, the jurisdiction must enter a 90-day probationary period. If the jurisdiction is not able to meet the requirements of this section by the end of the probationary period, the jurisdiction is no longer eligible to receive grants under this section.
- (4) For the purposes of this section, "residential permit" means a permit issued by a city or county that satisfies the conditions of RCW 19.27.015(5) and is within the scope of the international residential code, as adopted in accordance with chapter 19.27 RCW.
- NEW SECTION. Sec. 3. A new section is added to chapter 36.70B RCW to read as follows:
  - (1) Subject to the availability of funds appropriated for this specific purpose, the department of commerce must establish a grant program for local governments to update their permit review process from paper filing systems to software systems capable of processing digital permit applications, virtual inspections, electronic review, and with capacity for video storage.
- 36 (2) The department of commerce may only provide a grant under 37 this section to a city if the city allows for the development of at 38 least two units per lot on all lots zoned predominantly for 39 residential use within its jurisdiction.

- NEW SECTION. Sec. 4. A new section is added to chapter 36.70B RCW to read as follows:
  - (1) Subject to the availability of amounts appropriated for this specific purpose, the department of commerce must convene a digital permitting process work group to examine potential license and permitting software for local governments to encourage streamlined and efficient permit review.
  - (2) The department of commerce, in consultation with the association of Washington cities and Washington state association of counties, shall appoint members to the work group representing groups including but not limited to:
    - (a) Cities and counties;
    - (b) Building industries; and
  - (c) Building officials.

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- 15 (3) The department of commerce must convene the first meeting of 16 the work group by August 1, 2023. The department must submit a final 17 report to the governor and the appropriate committees of the 18 legislature by August 1, 2024. The final report must:
- 19 (a) Evaluate the existing need for digital permitting systems, 20 including impacts on existing digital permitting systems that are 21 already in place;
- 22 (b) Review barriers preventing local jurisdictions from accessing 23 or adopting digital permitting systems;
- 24 (c) Evaluate the benefits and costs associated with a statewide 25 permitting software system; and
- 26 (d) Provide budgetary, administrative policy, and legislative 27 recommendations to increase the adoption of or establish a statewide 28 system of digital permit review.
- 29 **Sec. 5.** RCW 36.70B.020 and 1995 c 347 s 402 are each amended to 30 read as follows:
- 31 Unless the context clearly requires otherwise, the definitions in 32 this section apply throughout this chapter.
- 33 (1) "Closed record appeal" means an administrative appeal on the 34 record to a local government body or officer, including the 35 legislative body, following an open record hearing on a project 36 permit application when the appeal is on the record with no or 37 limited new evidence or information allowed to be submitted and only 38 appeal argument allowed.
- 39 (2) "Local government" means a county, city, or town.

(3) "Open record hearing" means a hearing, conducted by a single hearing body or officer authorized by the local government to conduct such hearings, that creates the local government's record through testimony and submission of evidence and information, under procedures prescribed by the local government by ordinance or resolution. An open record hearing may be held prior to a local government's decision on a project permit to be known as an "open record predecision hearing." An open record hearing may be held on an appeal, to be known as an "open record appeal hearing," if no open record predecision hearing has been held on the project permit.

- (4) "Project permit" or "project permit application" means any land use or environmental permit or license required from a local government for a project action, including but not limited to ((building permits,)) subdivisions, binding site plans, planned unit developments, conditional uses, shoreline substantial development permits, site plan review, permits or approvals required by critical area ordinances, site-specific rezones ((authorized by a comprehensive plan or subarea plan)) which do not require a comprehensive plan amendment, but excluding the adoption or amendment of a comprehensive plan, subarea plan, or development regulations except as otherwise specifically included in this subsection.
- (5) "Public meeting" means an informal meeting, hearing, workshop, or other public gathering of people to obtain comments from the public or other agencies on a proposed project permit prior to the local government's decision. A public meeting may include, but is not limited to, a design review or architectural control board meeting, a special review district or community council meeting, or a scoping meeting on a draft environmental impact statement. A public meeting does not include an open record hearing. The proceedings at a public meeting may be recorded and a report or recommendation may be included in the local government's project permit application file.
- Sec. 6. RCW 36.70B.070 and 1995 c 347 s 408 are each amended to read as follows:
- (1) (a) Within ((twenty-eight)) 28 days after receiving a project permit application, a local government planning pursuant to RCW 36.70A.040 shall ((mail or)) provide ((in person)) a written determination to the applicant((, stating)).
  - (b) The written determination must state either:
  - $((\frac{1}{2}))$  (i) That the application is complete; or

1 ((<del>(b)</del>)) <u>(ii)</u> That the application is incomplete and <u>that the</u> procedural submission requirements of the local government have not 3 been met. The determination shall outline what is necessary to make the application procedurally complete. 4

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- (c) The number of days shall be calculated by counting every calendar day.
  - (d) To the extent known by the local government, the local government shall identify other agencies of local, state, or federal governments that may have jurisdiction over some aspect of the application.
- (2) A project permit application is complete for purposes of this 11 12 section when it meets the procedural submission requirements of the local government ((and is sufficient for continued processing even 13 though additional information may be required or project 14 15 modifications may be undertaken subsequently)), as outlined on the project permit application. Additional information or studies may be 16 17 required or project modifications may be undertaken subsequent to the procedural review of the application by the local government. The 18 19 determination of completeness shall not preclude the local government from requesting additional information or studies either at the time 20 21 of the notice of completeness or subsequently if new information is 22 required or substantial changes in the proposed action occur. However, if the procedural submission requirements, as outlined on 23 the project permit application have been provided, the need for 24 25 additional information or studies may not preclude a completeness determination. 26
  - (3) The determination of completeness may include or be combined with the following ((as optional information)):
- (a) A preliminary determination of those development regulations 29 30 that will be used for project mitigation;
- 31 (b) A preliminary determination of consistency, as provided under RCW 36.70B.040;  $((\Theta r))$ 32
  - (c) Other information the local government chooses to include; or
- 34 (d) The notice of application pursuant to the requirements in RCW 35 36.70B.110.
- (4)(a) An application shall be deemed procedurally complete on 36 the 29th day after receiving a project permit application under this 37 section if the local government does not provide a written 38 39 determination to the applicant that the application is procedurally 40 incomplete as provided in subsection (1)(b)(ii) of this section. When

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the local government does not provide a written determination, they
may still seek additional information or studies as provided for in
subsection (2) of this section.

- (b) Within ((fourteen)) 14 days after an applicant has submitted to a local government additional information identified by the local government as being necessary for a complete application, the local government shall notify the applicant whether the application is complete or what additional information is necessary.
- 9 <u>(c) The notice of application shall be provided within 14 days</u>
  10 <u>after the determination of completeness pursuant to RCW 36.70B.110.</u>
- **Sec. 7.** RCW 36.70B.080 and 2004 c 191 s 2 are each amended to 12 read as follows:
  - (1) (a) Development regulations adopted pursuant to RCW 36.70A.040 must establish and implement time periods for local government actions for each type of project permit application and provide timely and predictable procedures to determine whether a completed project permit application meets the requirements of those development regulations. The time periods for local government actions for each type of complete project permit application or project type should not exceed ((one hundred twenty days, unless the local government makes written findings that a specified amount of additional time is needed to process specific complete project permit applications or project types)) those specified in this section.
  - ((The)) (b) For project permits submitted after January 1, 2025, the development regulations must, for each type of permit application, specify the contents of a completed project permit application necessary for the complete compliance with the time periods and procedures.
  - ((<del>(2)</del>)) (c) A jurisdiction may exclude certain permit types and timelines for processing project permit applications as provided for in RCW 36.70B.140.
- 32 (d) The time periods for local government action to issue a final decision for each type of complete project permit application or project type subject to this chapter should not exceed the following time periods unless modified by the local government pursuant to this section or RCW 36.70B.140:
- (i) For project permits which do not require public notice under RCW 36.70B.110, a local government must issue a final decision within 65 days of the determination of completeness under RCW 36.70B.070;

(ii) For project permits which require public notice under RCW 36.70B.110, a local government must issue a final decision within 100 days of the determination of completeness under RCW 36.70B.070; and

- (iii) For project permits which require public notice under RCW 36.70B.110 and a public hearing, a local government must issue a final decision within 170 days of the determination of completeness under RCW 36.70B.070.
  - (e) A jurisdiction may modify the provisions in (d) of this subsection to add permit types not identified, change the permit names or types in each category, address how consolidated review time periods may be different than permits submitted individually, and provide for how projects of a certain size or type may be differentiated, including by differentiating between residential and nonresidential permits. Unless otherwise provided for the consolidated review of more than one permit, the time period for a final decision shall be the longest of the permit time periods identified in (d) of this subsection or as amended by a local government.
  - (f) If a local government does not adopt an ordinance or resolution modifying the provisions in (d) of this subsection, the time periods in (d) of this subsection apply.
  - (g) The number of days an application is in review with the county or city shall be calculated from the day completeness is determined under RCW 36.70B.070 to the date a final decision is issued on the project permit application. The number of days shall be calculated by counting every calendar day and excluding the following time periods:
  - (i) Any period between the day that the county or city has notified the applicant, in writing, that additional information is required to further process the application and the day when responsive information is resubmitted by the applicant;
  - (ii) Any period after an applicant informs the local government, in writing, that they would like to temporarily suspend review of the project permit application until the time that the applicant notifies the local government, in writing, that they would like to resume the application. A local government may set conditions for the temporary suspension of a permit application; and
- (iii) Any period after an administrative appeal is filed until
  the administrative appeal is resolved and any additional time period
  provided by the administrative appeal has expired.

(h) The time periods for a local government to process a permit shall start over if an applicant proposes a change in use that adds or removes commercial or residential elements from the original application that would make the application fail to meet the determination of procedural completeness for the new use, as required by the local government under RCW 36.70B.070.

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- 7 (i) If, at any time, an applicant informs the local government, in writing, that the applicant would like to temporarily suspend the 8 review of the project for more than 60 days, or if an applicant is 9 not responsive for more than 60 consecutive days after the county or 10 city has notified the applicant, in writing, that additional 11 information is required to further process the application, an 12 additional 30 days may be added to the time periods for local 13 government action to issue a final decision for each type of project 14 permit that is subject to this chapter. Any written notice from the 15 local government to the applicant that additional information is 16 required to further process the application must include a notice 17 that nonresponsiveness for 60 consecutive days may result in 30 days 18 being added to the time for review. For the purposes of this 19 subsection, "nonresponsiveness" means that an applicant is not making 20 demonstrable progress on providing additional requested information 21 22 to the local government, or that there is no ongoing communication 23 from the applicant to the local government on the applicant's ability 24 or willingness to provide the additional information.
  - (j) Annual amendments to the comprehensive plan are not subject to the requirements of this section.
  - (k) A county's or city's adoption of a resolution or ordinance to implement this subsection shall not be subject to appeal under chapter 36.70A RCW unless the resolution or ordinance modifies the time periods provided in (d) of this subsection by providing for a review period of more than 170 days for any project permit.
  - (1) (i) When permit time periods provided for in (d) of this subsection, as may be amended by a local government, and as may be extended as provided for in (i) of this subsection, are not met, a portion of the permit fee must be refunded to the applicant as provided in this subsection. A local government may provide for the collection of only 80 percent of a permit fee initially, and for the collection of the remaining balance if the permitting time periods are met. The portion of the fee refunded for missing time periods shall be:

(A) 10 percent if the final decision of the project permit application was made after the applicable deadline but the period from the passage of the deadline to the time of issuance of the final decision did not exceed 20 percent of the original time period; or

- (B) 20 percent if the period from the passage of the deadline to the time of the issuance of the final decision exceeded 20 percent of the original time period.
- (ii) Except as provided in RCW 36.70B.160, the provisions in subsection (l)(i) of this section are not applicable to cities and counties which have implemented at least three of the options in RCW 36.70B.160(1) (a) through (j) at the time an application is deemed procedurally complete.
- (2)(a) Counties subject to the requirements of RCW 36.70A.215 and the cities within those counties that have populations of at least ((twenty thousand)) 20,000 must, for each type of permit application, identify the total number of project permit applications for which decisions are issued according to the provisions of this chapter. For each type of project permit application identified, these counties and cities must establish and implement a deadline for issuing a notice of final decision as required by subsection (1) of this section and minimum requirements for applications to be deemed complete under RCW 36.70B.070 as required by subsection (1) of this section.
- (b) Counties and cities subject to the requirements of this subsection also must prepare <u>an</u> annual performance report((s)) that ((include, at a minimum, the following information for each type of project permit application identified in accordance with the requirements of (a) of this subsection:
- (i) Total number of complete applications received during the year;
- (ii) Number of complete applications received during the year for which a notice of final decision was issued before the deadline established under this subsection:
- (iii) Number of applications received during the year for which a notice of final decision was issued after the deadline established under this subsection;
- (iv) Number of applications received during the year for which an extension of time was mutually agreed upon by the applicant and the county or city;

(v) Variance of actual performance, excluding applications for which mutually agreed time extensions have occurred, to the deadline established under this subsection during the year; and

- (vi) The mean processing time and the number standard deviation from the mean.
- (c) Counties and cities subject to the requirements of this subsection must:
- (i) Provide notice of and access to the annual performance reports through the county's or city's website; and
- (ii) Post electronic facsimiles of the annual performance reports through the county's or city's website. Postings on a county's or city's website indicating that the reports are available by contacting the appropriate county or city department or official do not comply with the requirements of this subsection.
- If a county or city subject to the requirements of this subsection does not maintain a website, notice of the reports must be given by reasonable methods, including but not limited to those methods specified in RCW 36.70B.110(4).
- (3))) includes information outlining time periods for certain permit types associated with housing. The report must provide:
- (i) Permit time periods for certain permit processes in the county or city in relation to those established under this section, including whether the county or city has established shorter time periods than those provided in this section;
- (ii) The total number of decisions issued during the year for the following permit types: Preliminary subdivisions, final subdivisions, binding site plans, permit processes associated with the approval of multifamily housing, and construction plan review for each of these permit types when submitted separately;
- (iii) The total number of decisions for each permit type which included consolidated project permit review, such as concurrent review of a rezone or construction plans;
- (iv) The average number of days from a submittal to a decision being issued for the project permit types listed in subsection (2)(a)(ii) of this section. This shall be calculated from the day completeness is determined under RCW 36.70B.070 to the date a decision is issued on the application. The number of days shall be calculated by counting every calendar day;
- (v) The total number of days each project permit application of a type listed in subsection (2)(a)(ii) of this section was in review

- 1 with the county or city. This shall be calculated from the day completeness is determined under RCW 36.70B.070 to the date a final 2 decision is issued on the application. The number of days shall be 3 calculated by counting every calendar day. The days the application 4
- is in review with the county or city does not include the time 5 6 periods in subsection (1)(q)(i)-(iii) of this section;

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- (vi) The total number of days that were excluded from the time period calculation under subsection (1)(g)(i)-(iii) of this section for each project permit application of a type listed in subsection (2) (a) (ii) of this section.
- 11 (c) Counties and cities subject to the requirements of this subsection must:
- 13 (i) Post the annual performance report through the county's or 14 city's website; and
- 15 (ii) Submit the annual performance report to the department of 16 commerce by March 1st each year.
  - (d) No later than July 1st each year, the department of commerce shall publish a report which includes the annual performance report data for each county and city subject to the requirements of this subsection and a list of those counties and cities whose time periods are shorter than those provided for in this section.
- 22 The annual report must also include key metrics and findings from 23 the information collected.
  - (e) The initial annual report required under this subsection must be submitted to the department of commerce by March 1, 2025, and must include information from permitting in 2024.
  - (3) Nothing in this section prohibits a county or city from extending a deadline for issuing a decision for a specific project permit application for any reasonable period of time mutually agreed upon by the applicant and the local government.
  - ((4) The department of community, trade, and economic development shall work with the counties and cities to review the potential implementation costs of the requirements of subsection (2) of this section. The department, in cooperation with the local governments, shall prepare a report summarizing the projected costs, together with recommendations for state funding assistance for implementation costs, and provide the report to the governor and appropriate committees of the senate and house of representatives by January 1, 2005.))

**Sec. 8.** RCW 36.70B.160 and 1995 c 347 s 420 are each amended to 2 read as follows:

- (1) Each local government is encouraged to adopt further project review <u>and code</u> provisions to provide prompt, coordinated review and ensure accountability to applicants and the public((, <u>including expedited review for project permit applications for projects that are consistent with adopted development regulations and within the capacity of systemwide infrastructure improvements)) <u>by:</u></u>
- 9 <u>(a) Expediting review for project permit applications for</u>
  10 projects that are consistent with adopted development regulations;
  - (b) Imposing reasonable fees, consistent with RCW 82.02.020, on applicants for permits or other governmental approvals to cover the cost to the city, town, county, or other municipal corporation of processing applications, inspecting and reviewing plans, or preparing detailed statements required by chapter 43.21C RCW. The fees imposed may not include a fee for the cost of processing administrative appeals. Nothing in this subsection limits the ability of a county or city to impose a fee for the processing of administrative appeals as otherwise authorized by law;
- 20 <u>(c) Entering into an interlocal agreement with another</u> 21 <u>jurisdiction to share permitting staff and resources;</u>
  - (d) Maintaining and budgeting for on-call permitting assistance for when permit volumes or staffing levels change rapidly;
- 24 <u>(e) Having new positions budgeted that are contingent on</u> 25 <u>increased permit revenue;</u>
  - (f) Adopting development regulations which only require public hearings for permit applications that are required to have a public hearing by statute;
  - (g) Adopting development regulations which make preapplication meetings optional rather than a requirement of permit application submittal;
  - (h) Adopting development regulations which make housing types an outright permitted use in all zones where the housing type is permitted;
  - (i) Adopting a program to allow for outside professionals with appropriate professional licenses to certify components of applications consistent with their license; or
- (j) Meeting with the applicant to attempt to resolve outstanding issues during the review process. The meeting must be scheduled within 14 days of a second request for corrections during permit

- 1 review. If the meeting cannot resolve the issues and a local
- 2 government proceeds with a third request for additional information
- 3 or corrections, the local government must approve or deny the
- 4 application upon receiving the additional information or corrections.
- 5 (2)(a) After January 1, 2026, a county or city must adopt
- 6 additional measures under subsection (1) of this section at the time
- 7 of its next comprehensive plan update under RCW 36.70A.130 if it
- 8 meets the following conditions:
- 9 (i) The county or city has adopted at least three project review
- 10 and code provisions under subsection (1) of this section more than
- 11 five years prior; and
- 12 <u>(ii) The county or city is not meeting the permitting deadlines</u>
- 13 <u>established in RCW 36.70B.080 at least half of the time over the</u>
- 14 period since its most recent comprehensive plan update under RCW
- 15 <u>36.70A.130.</u>
- 16 (b) A city or county that is required to adopt new measures under
- 17 (a) of this subsection but fails to do so becomes subject to the
- 18 provisions of RCW 36.70B.080(1)(1), notwithstanding RCW
- 19 <u>36.70B.080(1)(1)(ii)</u>.
- 20  $((\frac{(2)}{(2)}))$  Nothing in this chapter is intended or shall be
- 21 construed to prevent a local government from requiring a
- 22 preapplication conference or a public meeting by rule, ordinance, or
- 23 resolution.
- 24  $((\frac{3}{3}))$  Each local government shall adopt procedures to
- 25 monitor and enforce permit decisions and conditions.
- $((\frac{4}{(4)}))$  (5) Nothing in this chapter modifies any independent
- 27 statutory authority for a government agency to appeal a project
- 28 permit issued by a local government.
- 29 <u>NEW SECTION.</u> **Sec. 9.** A new section is added to chapter 36.70B
- 30 RCW to read as follows:
- 31 (1) The department of commerce shall develop and provide
- 32 technical assistance and guidance to counties and cities in setting
- 33 fee structures under RCW 36.70B.160(1) to ensure that the fees are
- 34 reasonable and sufficient to recover true costs. The guidance must
- 35 include information on how to utilize growth factors or other
- 36 measures to reflect cost increases over time.
- 37 (2) When providing technical assistance under subsection (1) of
- 38 this section, the department of commerce must prioritize local

- 1 governments that have implemented at least three of the options in  $2 \quad \text{RCW } 36.70 \text{B.} 160 \text{(1)}$ .
- **Sec. 10.** RCW 36.70B.110 and 1997 c 429 s 48 and 1997 c 396 s 1 4 are each reenacted and amended to read as follows:

- (1) Not later than April 1, 1996, a local government planning under RCW 36.70A.040 shall provide a notice of application to the public and the departments and agencies with jurisdiction as provided in this section. If a local government has made a threshold determination under chapter 43.21C RCW concurrently with the notice of application, the notice of application may be combined with the threshold determination and the scoping notice for a determination of significance. Nothing in this section prevents a determination of significance and scoping notice from being issued prior to the notice of application. Nothing in this section or this chapter prevents a lead agency, when it is a project proponent or is funding a project, from conducting its review under chapter 43.21C RCW or from allowing appeals of procedural determinations prior to submitting a project permit ((application)).
  - (2) The notice of application shall be provided within ((fourteen)) 14 days after the determination of completeness as provided in RCW 36.70B.070 and, except as limited by the provisions of subsection (4)(b) of this section, ((shall)) must include the following in whatever sequence or format the local government deems appropriate:
  - (a) The date of application, the date of the notice of completion for the application, and the date of the notice of application;
  - (b) A description of the proposed project action and a list of the project permits included in the application and, if applicable, a list of any studies requested under RCW 36.70B.070 ((or 36.70B.090));
- (c) The identification of other permits not included in the application to the extent known by the local government;
- (d) The identification of existing environmental documents that evaluate the proposed project, and, if not otherwise stated on the document providing the notice of application, such as a city land use bulletin, the location where the application and any studies can be reviewed;
- 37 (e) A statement of the public comment period, which shall be not 38 less than fourteen nor more than thirty days following the date of 39 notice of application, and statements of the right of any person to

- comment on the application, receive notice of and participate in any hearings, request a copy of the decision once made, and any appeal rights. A local government may accept public comments at any time prior to the closing of the record of an open record predecision hearing, if any, or, if no open record predecision hearing is provided, prior to the decision on the project permit;
  - (f) The date, time, place, and type of hearing, if applicable and scheduled at the date of notice of the application;
  - (g) A statement of the preliminary determination, if one has been made at the time of notice, of those development regulations that will be used for project mitigation and of consistency as provided in RCW 36.70B.030(2) and 36.70B.040; and
- 13 (h) Any other information determined appropriate by the local 14 government.
  - (3) If an open record predecision hearing is required for the requested project permits, the notice of application shall be provided at least fifteen days prior to the open record hearing.
  - (4) A local government shall use reasonable methods to give the notice of application to the public and agencies with jurisdiction and may use its existing notice procedures. A local government may use different types of notice for different categories of project permits or types of project actions. If a local government by resolution or ordinance does not specify its method of public notice, the local government shall use the methods provided for in (a) and (b) of this subsection. Examples of reasonable methods to inform the public are:
    - (a) Posting the property for site-specific proposals;
  - (b) Publishing notice, including at least the project location, description, type of permit(s) required, comment period dates, and location where the notice of application required by subsection (2) of this section and the complete application may be reviewed, in the newspaper of general circulation in the general area where the proposal is located or in a local land use newsletter published by the local government;
- 35 (c) Notifying public or private groups with known interest in a 36 certain proposal or in the type of proposal being considered;
  - (d) Notifying the news media;

38 (e) Placing notices in appropriate regional or neighborhood 39 newspapers or trade journals;

- (f) Publishing notice in agency newsletters or sending notice to agency mailing lists, either general lists or lists for specific proposals or subject areas; and
  - (g) Mailing to neighboring property owners.

- (5) A notice of application shall not be required for project permits that are categorically exempt under chapter 43.21C RCW, unless an open record predecision hearing is required or an open record appeal hearing is allowed on the project permit decision.
- (6) A local government shall integrate the permit procedures in this section with ((its)) environmental review under chapter 43.21C RCW as follows:
- (a) Except for a threshold determination and except as otherwise expressly allowed in this section, the local government may not issue a decision or a recommendation on a project permit until the expiration of the public comment period on the notice of application.
- (b) If an open record predecision hearing is required, the local government shall issue its threshold determination at least fifteen days prior to the open record predecision hearing.
  - (c) Comments shall be as specific as possible.
- (d) A local government is not required to provide for administrative appeals of its threshold determination. If provided, an administrative appeal ((shall)) must be filed within fourteen days after notice that the determination has been made and is appealable. Except as otherwise expressly provided in this section, the appeal hearing on a threshold determination ((of nonsignificance shall)) must be consolidated with any open record hearing on the project permit.
- (7) At the request of the applicant, a local government may combine any hearing on a project permit with any hearing that may be held by another local, state, regional, federal, or other agency, if:
- (a) The hearing is held within the geographic boundary of the local government; and
- (b) ((The joint hearing can be held within the time periods specified in RCW 36.70B.090 or the)) The applicant agrees to the schedule in the event that additional time is needed in order to combine the hearings. All agencies of the state of Washington, including municipal corporations and counties participating in a combined hearing, are hereby authorized to issue joint hearing notices and develop a joint format, select a mutually acceptable hearing body or officer, and take such other actions as may be

1 necessary to hold joint hearings consistent with each of their 2 respective statutory obligations.

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- (8) All state and local agencies shall cooperate to the fullest extent possible with the local government in holding a joint hearing if requested to do so, as long as:
- 6 (a) The agency is not expressly prohibited by statute from doing 7 so;
- 8 (b) Sufficient notice of the hearing is given to meet each of the 9 agencies' adopted notice requirements as set forth in statute, 10 ordinance, or rule; and
  - (c) The agency has received the necessary information about the proposed project from the applicant to hold its hearing at the same time as the local government hearing.
  - (9) A local government is not required to provide for administrative appeals. If provided, an administrative appeal of the project decision and of any environmental determination issued at the same time as the project decision, shall be filed within fourteen days after the notice of the decision or after other notice that the decision has been made and is appealable. The local government shall extend the appeal period for an additional seven days, if state or local rules adopted pursuant to chapter 43.21C RCW allow public comment on a determination of nonsignificance issued as part of the appealable project permit decision.
- 24 (10) The applicant for a project permit is deemed to be a 25 participant in any comment period, open record hearing, or closed 26 record appeal.
- 27 (11) Each local government planning under RCW 36.70A.040 shall 28 adopt procedures for administrative interpretation of its development 29 regulations.
- NEW SECTION. Sec. 11. The department of commerce shall develop a template for counties and cities subject to the requirements in RCW 36.70B.080, which will be utilized for reporting data.
- NEW SECTION. Sec. 12. The department of commerce shall develop a plan to provide local governments with appropriately trained staff to provide temporary support or hard to find expertise for timely processing of residential housing permit applications. The plan shall include consideration of how local governments can be provided with staff that have experience with providing substitute staff support or

- 1 that possess expertise in permitting policies and regulations in the
- 2 local government's geographic area or with jurisdictions of the local
- 3 government's size or population. The plan and a proposal for
- 4 implementation shall be presented to the legislature by December 1,
- 5 2023.
- 6 <u>NEW SECTION.</u> **Sec. 13.** Section 7 of this act takes effect
- 7 January 1, 2025.

Passed by the Senate April 17, 2023. Passed by the House April 10, 2023. Approved by the Governor May 8, 2023. Filed in Office of Secretary of State May 10, 2023.

--- END ---

#### CERTIFICATION OF ENROLLMENT

#### SUBSTITUTE HOUSE BILL 1105

Chapter 171, Laws of 2024

68th Legislature 2024 Regular Session

NOTICE OF PUBLIC COMMENT PERIODS

EFFECTIVE DATE: June 6, 2024

Passed by the House March 4, 2024 Yeas 97 Nays 0

#### LAURIE JINKINS

### Speaker of the House of Representatives

Passed by the Senate February 28, 2024

Yeas 49 Nays 0

#### DENNY HECK

#### President of the Senate

Approved March 18, 2024 3:39 PM

#### CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1105** as passed by the House of Representatives and the Senate on the dates hereon set forth.

#### BERNARD DEAN

Chief Clerk

FILED

March 19, 2024

JAY INSLEE

Secretary of State State of Washington

Governor of the State of Washington

#### SUBSTITUTE HOUSE BILL 1105

#### AS AMENDED BY THE SENATE

Passed Legislature - 2024 Regular Session

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

By House State Government & Tribal Relations (originally sponsored by Representatives Kloba, Abbarno, and Thai)

READ FIRST TIME 02/02/23.

- 1 AN ACT Relating to requiring public agencies to provide notice
- 2 for public comment that includes the first and last date and time by
- 3 which such public comment must be submitted; and adding a new section
- 4 to chapter 42.30 RCW.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 42.30 7 RCW to read as follows:
- 8 (1) A public agency that is required by state law to solicit 9 public comment for a statutorily specified period of time, and is 10 required by state law to provide notice that it is soliciting public 11 comment, must specify the first and last date and time by which 12 written public comment may be submitted.
- 13 (2) An agency that provides a notice that violates this section 14 is subject to the same fines under the same procedures as other 15 violations of this chapter are subject to under RCW 42.30.120.

Passed by the House March 4, 2024. Passed by the Senate February 28, 2024. Approved by the Governor March 18, 2024. Filed in Office of Secretary of State March 19, 2024.

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