

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST – Afternoon Session

TO: Board of County Commissioners

FROM: Josh D. Peters, AICP, Community Development Director
Phil Cecere, Building Official / Fire Marshal
Greg Ballard, Development Code Administrator
Chelsea Pronovost, DCD Administrative Services Manager

DATE: July 22, 2024

SUBJECT: WORKSHOP re: SB 5290 implementation & DCD permit fee study results

STATEMENT OF ISSUE:

The Department of Community Development (DCD) is in the process of determining how exactly to implement Senate Bill 5290, passed during the 2023 legislation session, “Concerning consolidating local permit review processes” (attached). DCD seeks to brief the Board on options under consideration, including, “Imposing reasonable fees, consistent with RCW 82.02.020, on applicants for permits or other governmental approvals to cover the cost to the...county...of processing applications.” [RCW 36.70B.160(1)(b)]

The county hired FCS Group in late 2022 to review DCD’s permit review and processing fees. The consultant has recently completed that fee study. DCD seeks to brief the Board on the results of the fee study and the connection between SB 5290 implementation and a prospective update to DCD’s fee schedule.

ANALYSIS:

The Governor of Washington signed Senate Bill (SB) 5290 on May 8, 2023, making the new law effective July 23, 2023. The Washington State Department of Commerce published a fact sheet (attached) in January 2024 that summarizes the new project review requirements from SB 5290 for local governments. There is a sequence of deadlines for instituting different requirements from the law, and there are options for local governments in terms of how exactly to implement the new provisions in Chapter 36.70B RCW, Local Project Review. DCD is in the process of determining what steps are needed (and when) to meet the requirements of SB 5290, as well as which among the optional elements within the law are best for Jefferson County’s scale and context.

FCS’s approach to the DCD fee study was as follows:

- Data gathering: Labor and fee time data; historical permit revenue and activity
- Technical analysis: Determine labor time by fee
- Policy analysis: Public vs private benefit; determine level of cost recovery by fee
- Presentation of results: slides; spreadsheet

The consultant used a model to generate results based on input outlined above. In this workshop, DCD will describe the model further and summarize the results of the fee study.

FISCAL IMPACT:

Implementation of SB 5290 may result in a higher percentage of available staff capacity in DCD being dedicated to meeting new permit review deadlines in statute. This will depend, in part, on the relationship between fees charged for permit processing and the level of cost recovery for cost-recoverable services represented in the adopted fee schedule. In order to achieve 100% cost recovery for cost-recoverable work, DCD intends to propose that an updated fee schedule be adopted by the Board in August 2024, effective September 1, 2024. The updated fee schedule will represent 100% cost recovery for cost-recoverable services, based on the conclusions of the DCD fee study completed by consultant FCS Group in 2024. The fee study model used labor costs as of January 1, 2024, per the current collective bargaining agreement between UFCW-represented employees and Jefferson County.

RECOMMENDATION:

Consider the DCD presentation. Ask any questions and express any concerns about implementation of SB 5290 or the prospect of updating the DCD fee schedule in August.

REVIEWED BY:



Mark McCauley, County Administrator

Date 7/17/24

SB 5290 (2023) – KEY REQUIREMENTS

Local Project Review Update

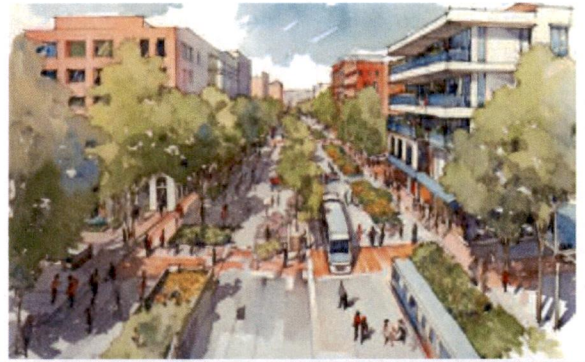
Background

In 2023, [Senate Bill 5290](#) updated portions of the Local Project Review Act, [RCW 36.70B](#). The intent of the new update is to strengthen and improve project review and permitting for construction and land use project permits, with an emphasis on housing development.

New Requirements for Local Project Review

Included in these updates are a new series of requirements for local governments and the Department of Commerce. Key requirements are summarized, with effective dates, and provided in the following table. For further updates and requirements, local jurisdictions are encouraged to read Senate Bill 5290 and the new sections in RCW 36.70B.

Commerce will publish a project review guide to serve as a resource to counties and cities planning under the GMA, with an expected publish date of June 30, 2025. A Local Project Review webpage will be available by March 1, 2024, to serve as a landing place for Commerce guidance, grant information and other tools to assist jurisdictions with project permit implementation.



Agency contacts:

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We strengthen communities

Local Jurisdiction Requirements

Bill Section Number and RCW:	Changes	Effective Date
Section 6 RCW 36.70B.070	Clarify determination of completeness procedural requirements – the determination must be based solely on the procedural requirements as outlined on the project permit application.	July 23, 2023
Section 7(1)(a)-(k) RCW 36.70B.080	Revise the existing 120-day time period for project review from the date an application is determined complete. The default time periods listed in the section apply automatically if the local government does not adopt an ordinance setting or changing the time periods.	January 1, 2025
Section 7(1)(l) RCW 36.70B.080	Refund 10-20% of permit fees if the new time periods described in section 7 are not met, unless they have adopted at least 3 measures per section 8. Also, allows a local government to only collect 80% of a permit fee upon application, and the remainder only if time periods are met.	January 1, 2025
Section 7(2) RCW 36.70B.080	Modifies the existing annual performance report requirement for jurisdictions to include data on compliance with the new permit time periods. Applies to counties and cities subject to RCW 36.70A.215 and cities/towns greater than 20,000 population within those counties.	March 1, 2025
Section 8(1) RCW 36.70B.160	Adopt some of 10 listed measures to expedite permit review by the next comprehensive plan update under certain circumstances.	At the next comprehensive plan update after January 1, 2026.
Section 8(2) RCW 36.70B.160	Adopt additional measures to expedite permit review if the local government had adopted at least 3 project review and code measures more than five years earlier, and the local government is not meeting the permit deadlines at least 50% of the time since its most recent comprehensive plan update.	At the next comprehensive plan update after January 1, 2026.

Commerce Requirements

Bill Section Number and RCW:	Changes	Effective Date
Sections 2 and 3 RCW 36.70B.240 RCW 36.70B.241	Administer two grant programs – Grant 1: consolidated permit review for acceleration of residential building permits; Grant 2: for permitting systems updates from paper to digital platforms.	April 2024
Section 4	Convene a digital permitting work group to report to the legislature and governor on the need for digital permitting systems for local governments; the barriers to adoption of digital permitting systems; the costs/benefits of a statewide permitting software system; and budgetary, administrative, and legislative recommendations to establish a statewide system of digital permit review.	Report to the legislature due by August 1, 2024. The permitting work group will continue to meet and work with Commerce until June 30, 2025. August 1, 2023 through June 30, 2025
Section 9 RCW 36.70B.245	Provide technical assistance and guidance to local governments regarding the structure of their application and permit fees.	March 2024
Section 11 RCW 36.70B.250	Create a template and guidance for those local governments required by section 7(2) to submit annual performance reports.	March 2024
Section 12	Develop a plan to provide local governments with temporary permit staff for residential housing permit applications. Report due to the legislature December 1, 2023.	December 1, 2023

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
Yeas 47 Nays 0

DENNY HECK

President of the Senate

Passed by the House April 10, 2023
Yeas 98 Nays 0

LAURIE JINKINS

**Speaker of the House of
Representatives**

Approved May 8, 2023 1:17 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of
the Senate of the State of
Washington, do hereby certify that
the attached is **SECOND SUBSTITUTE
SENATE BILL 5290** as passed by the
Senate and the House of
Representatives on the dates hereon
set forth.

SARAH BANNISTER

Secretary

FILED

May 10, 2023

**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, Llias, 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

1 adjustments and building and other construction permits, or similar
2 administrative approvals, categorically exempt from environmental
3 review under chapter 43.21C RCW, or for which environmental review
4 has been completed in connection with other project permits.

5 (3) A local government must exclude project permits for interior
6 alterations from site plan review, provided that the interior
7 alterations do not result in the following:

8 (a) Additional sleeping quarters or bedrooms;

9 (b) Nonconformity with federal emergency management agency
10 substantial improvement thresholds; or

11 (c) Increase the total square footage or valuation of the
12 structure thereby requiring upgraded fire access or fire suppression
13 systems.

14 (4) Nothing in this section exempts interior alterations from
15 otherwise applicable building, plumbing, mechanical, or electrical
16 codes.

17 (5) For purposes of this section, "interior alterations" include
18 construction activities that do not modify the existing site layout
19 or its current use and involve no exterior work adding to the
20 building footprint.

21 NEW SECTION. Sec. 2. A new section is added to chapter 36.70B
22 RCW to read as follows:

23 (1) Subject to the availability of funds appropriated for this
24 specific purpose, the department of commerce must establish a
25 consolidated permit review grant program. The department may award
26 grants to any local government that provides, by ordinance,
27 resolution, or other action, a commitment to the following building
28 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

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

3 (iii) Local governments are authorized to use grant funds to
4 contract outside assistance to audit their development regulations to
5 identify and correct barriers to housing development.

6 (b) Establishing an application fee structure that would allow
7 the jurisdiction to continue providing consolidated permit review
8 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.

11 (ii) A local government must determine, no later than July 1,
12 2024, the specific fee structure needed to provide permit review
13 within the time periods specified in this subsection (1)(b).

14 (2) A jurisdiction that is awarded a grant under this section
15 must provide a quarterly report to the department of commerce. The
16 report must include the average and maximum time for permit review
17 during the jurisdiction's participation in the grant program.

18 (3) If a jurisdiction is unable to successfully meet the terms
19 and conditions of the grant, the jurisdiction must enter a 90-day
20 probationary period. If the jurisdiction is not able to meet the
21 requirements of this section by the end of the probationary period,
22 the jurisdiction is no longer eligible to receive grants under this
23 section.

24 (4) For the purposes of this section, "residential permit" means
25 a permit issued by a city or county that satisfies the conditions of
26 RCW 19.27.015(5) and is within the scope of the international
27 residential code, as adopted in accordance with chapter 19.27 RCW.

28 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70B
29 RCW to read as follows:

30 (1) Subject to the availability of funds appropriated for this
31 specific purpose, the department of commerce must establish a grant
32 program for local governments to update their permit review process
33 from paper filing systems to software systems capable of processing
34 digital permit applications, virtual inspections, electronic review,
35 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.

1 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70B

2 RCW to read as follows:

3 (1) Subject to the availability of amounts appropriated for this
4 specific purpose, the department of commerce must convene a digital
5 permitting process work group to examine potential license and
6 permitting software for local governments to encourage streamlined
7 and efficient permit review.

8 (2) The department of commerce, in consultation with the
9 association of Washington cities and Washington state association of
10 counties, shall appoint members to the work group representing groups
11 including but not limited to:

12 (a) Cities and counties;

13 (b) Building industries; and

14 (c) Building officials.

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.

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

11 (4) "Project permit" or "project permit application" means any
12 land use or environmental permit or license required from a local
13 government for a project action, including but not limited to
14 (~~((building permits,))~~) subdivisions, binding site plans, planned unit
15 developments, conditional uses, shoreline substantial development
16 permits, site plan review, permits or approvals required by critical
17 area ordinances, site-specific rezones (~~((authorized by a
18 comprehensive plan or subarea plan))~~) which do not require a
19 comprehensive plan amendment, but excluding the adoption or amendment
20 of a comprehensive plan, subarea plan, or development regulations
21 except as otherwise specifically included in this subsection.

22 (5) "Public meeting" means an informal meeting, hearing,
23 workshop, or other public gathering of people to obtain comments from
24 the public or other agencies on a proposed project permit prior to
25 the local government's decision. A public meeting may include, but is
26 not limited to, a design review or architectural control board
27 meeting, a special review district or community council meeting, or a
28 scoping meeting on a draft environmental impact statement. A public
29 meeting does not include an open record hearing. The proceedings at a
30 public meeting may be recorded and a report or recommendation may be
31 included in the local government's project permit application file.

32 **Sec. 6.** RCW 36.70B.070 and 1995 c 347 s 408 are each amended to
33 read as follows:

34 (1) (a) Within (~~((twenty-eight))~~) 28 days after receiving a project
35 permit application, a local government planning pursuant to RCW
36 36.70A.040 shall (~~((mail or))~~) provide (~~((in person))~~) a written
37 determination to the applicant(~~((, stating))~~).

38 (b) The written determination must state either:

39 (~~((a+))~~) (i) That the application is complete; or

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

5 (c) The number of days shall be calculated by counting every
6 calendar day.

7 (d) To the extent known by the local government, the local
8 government shall identify other agencies of local, state, or federal
9 governments that may have jurisdiction over some aspect of the
10 application.

11 (2) A project permit application is complete for purposes of this
12 section when it meets the procedural submission requirements of the
13 local government ~~((and is sufficient for continued processing even~~
14 ~~though additional information may be required or project~~
15 ~~modifications may be undertaken subsequently))~~, as outlined on the
16 project permit application. Additional information or studies may be
17 required or project modifications may be undertaken subsequent to the
18 procedural review of the application by the local government. The
19 determination of completeness shall not preclude the local government
20 from requesting additional information or studies either at the time
21 of the notice of completeness or subsequently if new information is
22 required or substantial changes in the proposed action occur.
23 However, if the procedural submission requirements, as outlined on
24 the project permit application have been provided, the need for
25 additional information or studies may not preclude a completeness
26 determination.

27 (3) The determination of completeness may include or be combined
28 with the following ~~((as optional information))~~:

29 (a) A preliminary determination of those development regulations
30 that will be used for project mitigation;

31 (b) A preliminary determination of consistency, as provided under
32 RCW 36.70B.040; ~~((or))~~

33 (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.

36 (4)(a) An application shall be deemed procedurally complete on
37 the 29th day after receiving a project permit application under this
38 section if the local government does not provide a written
39 determination to the applicant that the application is procedurally
40 incomplete as provided in subsection (1)(b)(ii) of this section. When

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

4 (b) Within (~~fourteen~~) 14 days after an applicant has submitted
5 to a local government additional information identified by the local
6 government as being necessary for a complete application, the local
7 government shall notify the applicant whether the application is
8 complete or what additional information is necessary.

9 (c) The notice of application shall be provided within 14 days
10 after the determination of completeness pursuant to RCW 36.70B.110.

11 **Sec. 7.** RCW 36.70B.080 and 2004 c 191 s 2 are each amended to
12 read as follows:

13 (1)(a) Development regulations adopted pursuant to RCW 36.70A.040
14 must establish and implement time periods for local government
15 actions for each type of project permit application and provide
16 timely and predictable procedures to determine whether a completed
17 project permit application meets the requirements of those
18 development regulations. The time periods for local government
19 actions for each type of complete project permit application or
20 project type should not exceed (~~one hundred twenty days, unless the~~
21 ~~local government makes written findings that a specified amount of~~
22 ~~additional time is needed to process specific complete project permit~~
23 ~~applications or project types~~) those specified in this section.

24 (~~The~~) (b) For project permits submitted after January 1, 2025,
25 the development regulations must, for each type of permit
26 application, specify the contents of a completed project permit
27 application necessary for the complete compliance with the time
28 periods and procedures.

29 (~~(+2)~~) (c) A jurisdiction may exclude certain permit types and
30 timelines for processing project permit applications as provided for
31 in RCW 36.70B.140.

32 (d) The time periods for local government action to issue a final
33 decision for each type of complete project permit application or
34 project type subject to this chapter should not exceed the following
35 time periods unless modified by the local government pursuant to this
36 section or RCW 36.70B.140:

37 (i) For project permits which do not require public notice under
38 RCW 36.70B.110, a local government must issue a final decision within
39 65 days of the determination of completeness under RCW 36.70B.070;

1 (ii) For project permits which require public notice under RCW
2 36.70B.110, a local government must issue a final decision within 100
3 days of the determination of completeness under RCW 36.70B.070; and

4 (iii) For project permits which require public notice under RCW
5 36.70B.110 and a public hearing, a local government must issue a
6 final decision within 170 days of the determination of completeness
7 under RCW 36.70B.070.

8 (e) A jurisdiction may modify the provisions in (d) of this
9 subsection to add permit types not identified, change the permit
10 names or types in each category, address how consolidated review time
11 periods may be different than permits submitted individually, and
12 provide for how projects of a certain size or type may be
13 differentiated, including by differentiating between residential and
14 nonresidential permits. Unless otherwise provided for the
15 consolidated review of more than one permit, the time period for a
16 final decision shall be the longest of the permit time periods
17 identified in (d) of this subsection or as amended by a local
18 government.

19 (f) If a local government does not adopt an ordinance or
20 resolution modifying the provisions in (d) of this subsection, the
21 time periods in (d) of this subsection apply.

22 (g) The number of days an application is in review with the
23 county or city shall be calculated from the day completeness is
24 determined under RCW 36.70B.070 to the date a final decision is
25 issued on the project permit application. The number of days shall be
26 calculated by counting every calendar day and excluding the following
27 time periods:

28 (i) Any period between the day that the county or city has
29 notified the applicant, in writing, that additional information is
30 required to further process the application and the day when
31 responsive information is resubmitted by the applicant;

32 (ii) Any period after an applicant informs the local government,
33 in writing, that they would like to temporarily suspend review of the
34 project permit application until the time that the applicant notifies
35 the local government, in writing, that they would like to resume the
36 application. A local government may set conditions for the temporary
37 suspension of a permit application; and

38 (iii) Any period after an administrative appeal is filed until
39 the administrative appeal is resolved and any additional time period
40 provided by the administrative appeal has expired.

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

7 (i) If, at any time, an applicant informs the local government,
8 in writing, that the applicant would like to temporarily suspend the
9 review of the project for more than 60 days, or if an applicant is
10 not responsive for more than 60 consecutive days after the county or
11 city has notified the applicant, in writing, that additional
12 information is required to further process the application, an
13 additional 30 days may be added to the time periods for local
14 government action to issue a final decision for each type of project
15 permit that is subject to this chapter. Any written notice from the
16 local government to the applicant that additional information is
17 required to further process the application must include a notice
18 that nonresponsiveness for 60 consecutive days may result in 30 days
19 being added to the time for review. For the purposes of this
20 subsection, "nonresponsiveness" means that an applicant is not making
21 demonstrable progress on providing additional requested information
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.

25 (j) Annual amendments to the comprehensive plan are not subject
26 to the requirements of this section.

27 (k) A county's or city's adoption of a resolution or ordinance to
28 implement this subsection shall not be subject to appeal under
29 chapter 36.70A RCW unless the resolution or ordinance modifies the
30 time periods provided in (d) of this subsection by providing for a
31 review period of more than 170 days for any project permit.

32 (l)(i) When permit time periods provided for in (d) of this
33 subsection, as may be amended by a local government, and as may be
34 extended as provided for in (i) of this subsection, are not met, a
35 portion of the permit fee must be refunded to the applicant as
36 provided in this subsection. A local government may provide for the
37 collection of only 80 percent of a permit fee initially, and for the
38 collection of the remaining balance if the permitting time periods
39 are met. The portion of the fee refunded for missing time periods
40 shall be:

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

5 (B) 20 percent if the period from the passage of the deadline to
6 the time of the issuance of the final decision exceeded 20 percent of
7 the original time period.

8 (ii) Except as provided in RCW 36.70B.160, the provisions in
9 subsection (1)(i) of this section are not applicable to cities and
10 counties which have implemented at least three of the options in RCW
11 36.70B.160(1) (a) through (j) at the time an application is deemed
12 procedurally complete.

13 (2)(a) Counties subject to the requirements of RCW 36.70A.215 and
14 the cities within those counties that have populations of at least
15 ((twenty thousand)) 20,000 must, for each type of permit application,
16 identify the total number of project permit applications for which
17 decisions are issued according to the provisions of this chapter. For
18 each type of project permit application identified, these counties
19 and cities must establish and implement a deadline for issuing a
20 notice of final decision as required by subsection (1) of this
21 section and minimum requirements for applications to be deemed
22 complete under RCW 36.70B.070 as required by subsection (1) of this
23 section.

24 (b) Counties and cities subject to the requirements of this
25 subsection also must prepare an annual performance report((s)) that
26 ((include, at a minimum, the following information for each type of
27 project permit application identified in accordance with the
28 requirements of (a) of this subsection:

29 (i) Total number of complete applications received during the
30 year;

31 (ii) Number of complete applications received during the year for
32 which a notice of final decision was issued before the deadline
33 established under this subsection;

34 (iii) Number of applications received during the year for which a
35 notice of final decision was issued after the deadline established
36 under this subsection;

37 (iv) Number of applications received during the year for which an
38 extension of time was mutually agreed upon by the applicant and the
39 county or city;

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

4 ~~(vi) The mean processing time and the number standard deviation~~
5 ~~from the mean.~~

6 ~~(c) Counties and cities subject to the requirements of this~~
7 ~~subsection must:~~

8 ~~(i) Provide notice of and access to the annual performance~~
9 ~~reports through the county's or city's website; and~~

10 ~~(ii) Post electronic facsimiles of the annual performance reports~~
11 ~~through the county's or city's website. Postings on a county's or~~
12 ~~city's website indicating that the reports are available by~~
13 ~~contacting the appropriate county or city department or official do~~
14 ~~not comply with the requirements of this subsection.~~

15 ~~If a county or city subject to the requirements of this~~
16 ~~subsection does not maintain a website, notice of the reports must be~~
17 ~~given by reasonable methods, including but not limited to those~~
18 ~~methods specified in RCW 36.70B.110(4).~~

19 ~~(3))~~ includes information outlining time periods for certain
20 permit types associated with housing. The report must provide:

21 (i) Permit time periods for certain permit processes in the
22 county or city in relation to those established under this section,
23 including whether the county or city has established shorter time
24 periods than those provided in this section;

25 (ii) The total number of decisions issued during the year for the
26 following permit types: Preliminary subdivisions, final subdivisions,
27 binding site plans, permit processes associated with the approval of
28 multifamily housing, and construction plan review for each of these
29 permit types when submitted separately;

30 (iii) The total number of decisions for each permit type which
31 included consolidated project permit review, such as concurrent
32 review of a rezone or construction plans;

33 (iv) The average number of days from a submittal to a decision
34 being issued for the project permit types listed in subsection
35 (2)(a)(ii) of this section. This shall be calculated from the day
36 completeness is determined under RCW 36.70B.070 to the date a
37 decision is issued on the application. The number of days shall be
38 calculated by counting every calendar day;

39 (v) The total number of days each project permit application of a
40 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
2 completeness is determined under RCW 36.70B.070 to the date a final
3 decision is issued on the application. The number of days shall be
4 calculated by counting every calendar day. The days the application
5 is in review with the county or city does not include the time
6 periods in subsection (1)(g)(i)-(iii) of this section;

7 (vi) The total number of days that were excluded from the time
8 period calculation under subsection (1)(g)(i)-(iii) of this section
9 for each project permit application of a type listed in subsection
10 (2)(a)(ii) of this section.

11 (c) Counties and cities subject to the requirements of this
12 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.

17 (d) No later than July 1st each year, the department of commerce
18 shall publish a report which includes the annual performance report
19 data for each county and city subject to the requirements of this
20 subsection and a list of those counties and cities whose time periods
21 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.

24 (e) The initial annual report required under this subsection must
25 be submitted to the department of commerce by March 1, 2025, and must
26 include information from permitting in 2024.

27 (3) Nothing in this section prohibits a county or city from
28 extending a deadline for issuing a decision for a specific project
29 permit application for any reasonable period of time mutually agreed
30 upon by the applicant and the local government.

31 ~~((4) The department of community, trade, and economic~~
32 ~~development shall work with the counties and cities to review the~~
33 ~~potential implementation costs of the requirements of subsection (2)~~
34 ~~of this section. The department, in cooperation with the local~~
35 ~~governments, shall prepare a report summarizing the projected costs,~~
36 ~~together with recommendations for state funding assistance for~~
37 ~~implementation costs, and provide the report to the governor and~~
38 ~~appropriate committees of the senate and house of representatives by~~
39 ~~January 1, 2005.))~~

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

3 (1) Each local government is encouraged to adopt further project
4 review and code provisions to provide prompt, coordinated review and
5 ensure accountability to applicants and the public(~~(, including~~
6 ~~expedited review for project permit applications for projects that~~
7 ~~are consistent with adopted development regulations and within the~~
8 ~~capacity of systemwide infrastructure improvements)) by:~~

9 (a) Expediting review for project permit applications for
10 projects that are consistent with adopted development regulations;

11 (b) Imposing reasonable fees, consistent with RCW 82.02.020, on
12 applicants for permits or other governmental approvals to cover the
13 cost to the city, town, county, or other municipal corporation of
14 processing applications, inspecting and reviewing plans, or preparing
15 detailed statements required by chapter 43.21C RCW. The fees imposed
16 may not include a fee for the cost of processing administrative
17 appeals. Nothing in this subsection limits the ability of a county or
18 city to impose a fee for the processing of administrative appeals as
19 otherwise authorized by law;

20 (c) Entering into an interlocal agreement with another
21 jurisdiction to share permitting staff and resources;

22 (d) Maintaining and budgeting for on-call permitting assistance
23 for when permit volumes or staffing levels change rapidly;

24 (e) Having new positions budgeted that are contingent on
25 increased permit revenue;

26 (f) Adopting development regulations which only require public
27 hearings for permit applications that are required to have a public
28 hearing by statute;

29 (g) Adopting development regulations which make preapplication
30 meetings optional rather than a requirement of permit application
31 submittal;

32 (h) Adopting development regulations which make housing types an
33 outright permitted use in all zones where the housing type is
34 permitted;

35 (i) Adopting a program to allow for outside professionals with
36 appropriate professional licenses to certify components of
37 applications consistent with their license; or

38 (j) Meeting with the applicant to attempt to resolve outstanding
39 issues during the review process. The meeting must be scheduled
40 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 (ii) The county or city is not meeting the permitting deadlines
13 established in RCW 36.70B.080 at least half of the time over the
14 period since its most recent comprehensive plan update under RCW
15 36.70A.130.

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 36.70B.080(1)(1)(ii).

20 ~~((+2+))~~ (3) 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 ~~((+3+))~~ (4) Each local government shall adopt procedures to
25 monitor and enforce permit decisions and conditions.

26 ~~((+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 NEW SECTION. 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 RCW 36.70B.160(1).

3 **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:

5 (1) Not later than April 1, 1996, a local government planning
6 under RCW 36.70A.040 shall provide a notice of application to the
7 public and the departments and agencies with jurisdiction as provided
8 in this section. If a local government has made a threshold
9 determination under chapter 43.21C RCW concurrently with the notice
10 of application, the notice of application may be combined with the
11 threshold determination and the scoping notice for a determination of
12 significance. Nothing in this section prevents a determination of
13 significance and scoping notice from being issued prior to the notice
14 of application. Nothing in this section or this chapter prevents a
15 lead agency, when it is a project proponent or is funding a project,
16 from conducting its review under chapter 43.21C RCW or from allowing
17 appeals of procedural determinations prior to submitting a project
18 permit ((application)).

19 (2) The notice of application shall be provided within
20 ((fourteen)) 14 days after the determination of completeness as
21 provided in RCW 36.70B.070 and, except as limited by the provisions
22 of subsection (4)(b) of this section, ((shall)) must include the
23 following in whatever sequence or format the local government deems
24 appropriate:

25 (a) The date of application, the date of the notice of completion
26 for the application, and the date of the notice of application;

27 (b) A description of the proposed project action and a list of
28 the project permits included in the application and, if applicable, a
29 list of any studies requested under RCW 36.70B.070 ((or 36.70B.090));

30 (c) The identification of other permits not included in the
31 application to the extent known by the local government;

32 (d) The identification of existing environmental documents that
33 evaluate the proposed project, and, if not otherwise stated on the
34 document providing the notice of application, such as a city land use
35 bulletin, the location where the application and any studies can be
36 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

(h) Any other information determined appropriate by the local 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;

(c) Notifying public or private groups with known interest in a certain proposal or in the type of proposal being considered;

(d) Notifying the news media;

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

1 (f) Publishing notice in agency newsletters or sending notice to
2 agency mailing lists, either general lists or lists for specific
3 proposals or subject areas; and

4 (g) Mailing to neighboring property owners.

5 (5) A notice of application shall not be required for project
6 permits that are categorically exempt under chapter 43.21C RCW,
7 unless an open record predecision hearing is required or an open
8 record appeal hearing is allowed on the project permit decision.

9 (6) A local government shall integrate the permit procedures in
10 this section with ~~((its))~~ environmental review under chapter 43.21C
11 RCW as follows:

12 (a) Except for a threshold determination and except as otherwise
13 expressly allowed in this section, the local government may not issue
14 a decision or a recommendation on a project permit until the
15 expiration of the public comment period on the notice of application.

16 (b) If an open record predecision hearing is required, the local
17 government shall issue its threshold determination at least fifteen
18 days prior to the open record predecision hearing.

19 (c) Comments shall be as specific as possible.

20 (d) A local government is not required to provide for
21 administrative appeals of its threshold determination. If provided,
22 an administrative appeal ~~((shall))~~ must be filed within fourteen days
23 after notice that the determination has been made and is appealable.
24 Except as otherwise expressly provided in this section, the appeal
25 hearing on a threshold determination ~~((of nonsignificance shall))~~
26 must be consolidated with any open record hearing on the project
27 permit.

28 (7) At the request of the applicant, a local government may
29 combine any hearing on a project permit with any hearing that may be
30 held by another local, state, regional, federal, or other agency, if:

31 (a) The hearing is held within the geographic boundary of the
32 local government; and

33 (b) ~~((The joint hearing can be held within the time periods
34 specified in RCW 36.70B.090 or the))~~ The applicant agrees to the
35 schedule in the event that additional time is needed in order to
36 combine the hearings. All agencies of the state of Washington,
37 including municipal corporations and counties participating in a
38 combined hearing, are hereby authorized to issue joint hearing
39 notices and develop a joint format, select a mutually acceptable
40 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.

3 (8) All state and local agencies shall cooperate to the fullest
4 extent possible with the local government in holding a joint hearing
5 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

11 (c) The agency has received the necessary information about the
12 proposed project from the applicant to hold its hearing at the same
13 time as the local government hearing.

14 (9) A local government is not required to provide for
15 administrative appeals. If provided, an administrative appeal of the
16 project decision and of any environmental determination issued at the
17 same time as the project decision, shall be filed within fourteen
18 days after the notice of the decision or after other notice that the
19 decision has been made and is appealable. The local government shall
20 extend the appeal period for an additional seven days, if state or
21 local rules adopted pursuant to chapter 43.21C RCW allow public
22 comment on a determination of nonsignificance issued as part of the
23 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.

30 NEW SECTION. **Sec. 11.** The department of commerce shall develop
31 a template for counties and cities subject to the requirements in RCW
32 36.70B.080, which will be utilized for reporting data.

33 NEW SECTION. **Sec. 12.** The department of commerce shall develop
34 a plan to provide local governments with appropriately trained staff
35 to provide temporary support or hard to find expertise for timely
36 processing of residential housing permit applications. The plan shall
37 include consideration of how local governments can be provided with
38 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 NEW SECTION. **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.

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