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5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** (1) The legislature finds and declares land
8 use planning needs to ensure that an adequate supply of land
9 appropriate for development is actually available for development.
10 Land use planning that restricts the supply of developable land tends
11 to cause land prices to rise, making affordable housing impossible and
12 economic growth difficult.

13 (2) Comprehensive plans and development regulations may identify
14 undeveloped land for particular uses. However, those uses may never be
15 realized and the assumption that land will actually be used for such
16 purposes may be misplaced.

17 (3) The legislature finds and declares local governments planning
18 under chapter 36.70A RCW need to analyze whether sufficient available
19 land for development exists in order to provide for both residential
20 and nonresidential needs of the population in those jurisdictions.
21 Merely regulating land so as to allow for the development is
22 insufficient. Specifically, local jurisdictions planning under chapter
23 36.70A RCW must inventory lands available for development and adjust
24 plans or development regulations if insufficient land is available to
25 meet the population projections for the following twenty years.

26 **Sec. 2.** RCW 36.70A.110 and 1995 c 400 s 2 are each amended to read
27 as follows:

28 (1) Each county that is required or chooses to plan under RCW
29 36.70A.040 shall designate an urban growth area or areas within which
30 urban growth shall be encouraged and outside of which growth can occur
31 only if it is not urban in nature. Each city that is located in such
32 a county shall be included within an urban growth area. An urban
33 growth area may include more than a single city. An urban growth area
34 may include territory that is located outside of a city only if such
35 territory already is characterized by urban growth whether or not the

1 urban growth area includes a city, or is adjacent to territory already
2 characterized by urban growth, or is a designated new fully contained
3 community as defined by RCW 36.70A.350.

4 (2) Based upon the growth management population projection made for
5 the county by the office of financial management, the (~~urban growth~~
6 ~~areas in the~~) county and the city within the county shall include
7 areas and densities within urban growth areas sufficient to permit the
8 urban growth that is projected to occur in the county or city for the
9 succeeding twenty-year period. Each urban growth area shall permit
10 urban densities and shall include greenbelt and open space areas. An
11 urban growth area determination may include a reasonable land market
12 supply factor and shall permit a range of urban densities and uses. In
13 determining this market factor, cities and counties may consider local
14 circumstances. Cities and counties have discretion in their
15 comprehensive plans to make many choices about accommodating growth.

16 Within one year of July 1, 1990, each county that as of June 1,
17 1991, was required or chose to plan under RCW 36.70A.040, shall begin
18 consulting with each city located within its boundaries and each city
19 shall propose the location of an urban growth area. Within sixty days
20 of the date the county legislative authority of a county adopts its
21 resolution of intention or of certification by the office of financial
22 management, all other counties that are required or choose to plan
23 under RCW 36.70A.040 shall begin this consultation with each city
24 located within its boundaries. The county shall attempt to reach
25 agreement with each city on the location of an urban growth area within
26 which the city is located. If such an agreement is not reached with
27 each city located within the urban growth area, the county shall
28 justify in writing why it so designated the area an urban growth area.
29 A city may object formally with the department over the designation of
30 the urban growth area within which it is located. Where appropriate,
31 the department shall attempt to resolve the conflicts, including the
32 use of mediation services.

33 (3) Urban growth should be located first in areas already
34 characterized by urban growth that have adequate existing public
35 facility and service capacities to serve such development, second in
36 areas already characterized by urban growth that will be served
37 adequately by a combination of both existing public facilities and
38 services and any additional needed public facilities and services that
39 are provided by either public or private sources, and third in the

1 remaining portions of the urban growth areas. Urban growth may also be
2 located in designated new fully contained communities as defined by RCW
3 36.70A.350.

4 (4) In general, cities are the units of local government most
5 appropriate to provide urban governmental services. In general, it is
6 not appropriate that urban governmental services be extended to or
7 expanded in rural areas except in those limited circumstances shown to
8 be necessary to protect basic public health and safety and the
9 environment and when such services are financially supportable at rural
10 densities and do not permit urban development.

11 (5) On or before October 1, 1993, each county that was initially
12 required to plan under RCW 36.70A.040(1) shall adopt development
13 regulations designating interim urban growth areas under this chapter.
14 Within three years and three months of the date the county legislative
15 authority of a county adopts its resolution of intention or of
16 certification by the office of financial management, all other counties
17 that are required or choose to plan under RCW 36.70A.040 shall adopt
18 development regulations designating interim urban growth areas under
19 this chapter. Adoption of the interim urban growth areas may only
20 occur after public notice; public hearing; and compliance with the
21 state environmental policy act, chapter 43.21C RCW, and RCW 36.70A.110.
22 Such action may be appealed to the appropriate growth management
23 hearings board under RCW 36.70A.280. Final urban growth areas shall be
24 adopted at the time of comprehensive plan adoption under this chapter.

25 (6) Each county shall include designations of urban growth areas in
26 its comprehensive plan.

27 NEW SECTION. **Sec. 3.** This chapter applies to counties planning
28 under RCW 36.70A.040, and the cities within those counties, that had a
29 population greater than one hundred fifty thousand in 1995 as
30 determined by the office of financial management population projection
31 and that are located west of the crest of the Cascade mountain range.

32 NEW SECTION. **Sec. 4.** Unless the context clearly requires
33 otherwise, the definitions in this section apply throughout this
34 chapter.

35 (1) "Lands available for development" are lands that are suitable
36 for development and likely to be on the market within the time period
37 provided in RCW 36.70A.110. "Lands available for development" include

1 both vacant land and developed land likely to be redeveloped. Land
2 that is developed with a building currently occupied and determined
3 habitable by the local jurisdiction with an assessed value greater than
4 the assessed value of the land on which the building is located may not
5 be considered developed land likely to be redeveloped.

6 (2) "Suitable for development" means the lands:

7 (a) Are not within any critical area or governed by any development
8 regulation designed to protect critical areas adopted under RCW
9 36.70A.060, regardless of whether any development may occur on the
10 lands;

11 (b) Are serviced by all public facilities necessary for development
12 or needed public facilities are provided for in the capital facilities
13 element of the county or city's comprehensive plan adopted under RCW
14 36.70A.070 within the following five years; and

15 (c) May be developed without causing the level of service on a
16 transportation facility to decline below the standards adopted in the
17 transportation element of the comprehensive plan.

18 NEW SECTION. **Sec. 5.** (1) A comprehensive plan must provide
19 sufficient lands available for development within the urban growth
20 areas established under RCW 36.70A.110 to accommodate estimated
21 residential and nonresidential needs for the following twenty years.

22 (2) Beginning with the next periodic review under RCW 36.70A.130 or
23 any other review of an urban growth area or comprehensive plan, but at
24 least by July 1, 1999, a county shall:

25 (a) Inventory the supply of lands available for development within
26 the urban growth area;

27 (b) Determine the density and type of development likely to occur
28 on lands inventoried under (a) of this subsection, by considering all
29 regulations applicable to the lands and the market for land available
30 for development;

31 (c) Determine the actual residential density and the actual
32 intensity and amount of land developed for nonresidential uses which
33 have occurred within the urban growth area since the last periodic
34 review or five years, whichever is greater;

35 (d) Conduct an analysis of housing need by type and density range
36 to determine the amount of land needed for each needed housing type for
37 the next twenty years;

1 (e) Conduct an analysis of nonresidential development needed to
2 serve the commercial, office, retail, industrial, and public service
3 and facility needs of the population for the next twenty years; and

4 (f) Compare the inventory in (a), (b), and (c) of this subsection
5 with the needs determined in (d) and (e) of this subsection.

6 (3) If the determination required by subsection (2) of this section
7 indicates the urban growth area does not contain sufficient lands
8 available for development to accommodate projected needs for twenty
9 years at the actual developed density that has occurred since the last
10 periodic review, the county shall take one or more of the following
11 actions:

12 (a) Amend its urban growth area to include sufficient land
13 available for development to accommodate projected needs for twenty
14 years at the actual developed density during the period since the last
15 periodic review or within the last five years, whichever is greater.
16 As a part of this process, the amendment shall include sufficient land
17 reasonably necessary to accommodate the siting of new public school
18 facilities;

19 (b) Amend its comprehensive plan or development regulations to
20 include new, incentive-based measures that demonstrably increase the
21 likelihood that development will occur at densities sufficient to
22 accommodate the projected needs for twenty years without expansion of
23 the urban growth area; or

24 (c) Any combination of actions in (a) or (b) of this subsection.

25 (4) A county that adopts incentive-based measures under subsection
26 (3)(b) of this section must monitor and record the level of development
27 activity and development density following the date of the adoption of
28 the new measures. If the monitoring shows that development has not
29 occurred at densities sufficient to accommodate the project needs, the
30 county must, at its next review under subsection (2) of this section,
31 amend its urban growth area as provided in subsection (3)(a) of this
32 section.

33 (5) If the determination required by subsection (2) of this section
34 indicates the urban growth area within a city does not contain
35 sufficient lands available for development to accommodate residential
36 and nonresidential needs for twenty years at the actual developed
37 density that has occurred since the last periodic review, the city
38 shall amend its comprehensive plan or development regulations to
39 include new, incentive-based measures that demonstrably increase the

1 likelihood that development will occur at densities sufficient to
2 accommodate projected needs for twenty years without expansion of the
3 urban growth area. A city that takes this action must monitor and
4 record the level of development activity and development density
5 following the date of the adoption of the new measures.

6 (6) Amendments must comply with the requirements of chapter 36.70A
7 RCW.

8 (7) In establishing that actions and measures adopted under
9 subsections (3) and (5) of this section demonstrably increase the
10 likelihood of higher density development, the county or city shall at
11 a minimum ensure that land zoned for development is in locations
12 appropriate for the types of development identified under subsection
13 (2) of this section and is zoned at density ranges that are likely to
14 be achieved by the market using the analysis in subsection (2) of this
15 section. Actions or incentive-based measures, or both, must be adopted
16 as part of development regulations, must be available to all applicable
17 properties within the zone, must not be negotiated on a case-by-case
18 basis, and may include, but are not limited to:

19 (a) Financial incentives for higher density development, including,
20 but not limited to removal of fees associated with development;

21 (b) Removal or easing of approval standards or procedures;

22 (c) Redevelopment and infill strategies; and

23 (d) Authorization of housing types not previously allowed by the
24 comprehensive plan or development regulations.

25 NEW SECTION. **Sec. 6.** (1) A county shall annually update the
26 inventory and determinations required by section 5(2) of this act.

27 (2) At least every five years after the first inventory,
28 determinations, and steps required under section 5 of this act:

29 (a) A county shall take any steps required by section 5 (3) and (4)
30 of this act; and

31 (b) A city shall take any steps required by section 5(5) of this
32 act.

33 **Sec. 7.** RCW 43.62.035 and 1995 c 162 s 1 are each amended to read
34 as follows:

35 The office of financial management shall determine the population
36 of each county of the state annually as of April 1st of each year and
37 on or before July 1st of each year shall file a certificate with the

1 secretary of state showing its determination of the population for each
2 county. The office of financial management also shall determine the
3 percentage increase in population for each county over the preceding
4 ten-year period, as of April 1st, and shall file a certificate with the
5 secretary of state by July 1st showing its determination. At least
6 once every ((ten)) five years beginning in 2001 the office of financial
7 management shall prepare twenty-year growth management planning
8 population projections required by RCW 36.70A.110 for each county that
9 adopts a comprehensive plan under RCW 36.70A.040 and shall review these
10 projections with such counties and the cities in those counties before
11 final adoption. The county and its cities may provide to the office
12 such information as they deem relevant to the office's projection, and
13 the office shall consider and comment on such information before
14 adoption. Each projection shall be expressed as a reasonable range
15 developed within the standard state high and low projection. The
16 middle range shall represent the office's estimate of the most likely
17 population projection for the county. If any city or county believes
18 that a projection will not accurately reflect actual population growth
19 in a county, it may petition the office to revise the projection
20 accordingly. The office shall complete the first set of ranges for
21 every county by December 31, 1995.

22 A comprehensive plan adopted or amended before December 31, 1995,
23 shall not be considered to be in noncompliance with the twenty-year
24 growth management planning population projection if the projection used
25 in the comprehensive plan is in compliance with the range later adopted
26 under this section.

27 NEW SECTION. **Sec. 8.** Sections 1, 3, 4, and 6 of this act
28 constitute a new chapter in Title 36 RCW to be codified to follow
29 chapter 36.70C RCW."

30 Correct the title.

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