

HOUSE BILL REPORT

HB 2898

As Reported By House Committee On:
Government Reform & Land Use
Appropriations

Title: An act relating to buildable lands.

Brief Description: Prescribing procedures for review and evaluation programs regarding buildable lands.

Sponsors: Representatives Sherstad, O'Brien, Schoesler, Sheahan, Hatfield, Pennington, Grant, McMorris, Mulliken, Reams, Cairnes, Thompson, Benson, Koster, Dunn, Bush, Alexander and Mielke.

Brief History:

Committee Activity:

Government Reform & Land Use: 1/26/98, 1/28/98 [DP];
Appropriations: 2/7/98 [DPS].

HOUSE COMMITTEE ON GOVERNMENT REFORM & LAND USE

Majority Report: Do pass. Signed by 6 members: Representatives Cairnes, Vice Chairman; Sherstad, Vice Chairman; Bush; Mielke; Mulliken and Thompson.

Minority Report: Do not pass. Signed by 4 members: Representatives Romero, Ranking Minority Member; Lantz, Assistant Ranking Minority Member; Fisher and Gardner.

Staff: Joan Elgee (786-7135).

Background: A county meeting certain population and growth criteria must plan under the Growth Management Act (GMA). A county may also choose to bring itself within the GMA planning requirements.

The primary planning requirement is the adoption of a comprehensive plan. A plan must include a land use element, a housing element, and a transportation element. Goals are set forth to guide the adoption of comprehensive plans. These include the encouragement of development in urban areas and the reduction of sprawl.

Counties that plan under the GMA must designate urban growth areas sufficient to permit the urban growth expected to occur over the next 20 years. Counties must encourage urban growth within the urban growth areas, and may allow growth outside of urban growth areas only if it is not urban in nature. At least every 10 years, all counties planning under the GMA must review their urban growth areas, and the county and each city within the county must review the densities permitted. The urban growth areas and the densities permitted must be revised to accommodate the projected urban growth for the succeeding 20-year period.

In 1997, legislation was enacted as part of ESB 6094 establishing a review and evaluation program. Under this program, the six most populous counties in Western Washington (King, Pierce, Snohomish, Clark, Kitsap, and Thurston Counties) must adopt county-wide planning policies to determine if the county and its cities are achieving urban densities within urban growth areas, and identify reasonable measures, other than adjusting urban growth areas, to comply with the GMA.

The program must provide for the annual collection of data on urban and rural land uses, development, critical areas, and capital facilities to determine the quantity and type of land suitable for development, both for residential and employment-based activities.

Every five years, the county must evaluate the data, with the first evaluation completed not later than September 1, 2002. The evaluation must determine whether there is sufficient suitable land to accommodate the projected population, determine the actual density of housing and actual amount of land developed for commercial and industrial uses, and review needs by type and density range to determine the amount of land needed for the 20-year planning period. If the evaluation shows an inconsistency between what has occurred and what was envisioned in the policies and plans, the county and its cities must adopt measures reasonably likely to increase consistency during the subsequent five-year period. The county and its cities must annually monitor the measures adopted.

The Department of Community, Trade and Economic Development (CTED) provides technical assistance to comply with the review and evaluation requirements, and must report to the Legislature by December 31, 2007. From appropriated funds, CTED provides grants to counties, cities, and regional planning organizations to conduct the reviews and evaluations. In 1997, the Legislature appropriated \$2 million for the grants.

Summary of Bill: The review and evaluation program under the GMA is modified.

If the evaluation demonstrates that the urban growth area does not contain sufficient land suitable for development to accommodate residential, commercial, and industrial needs for the succeeding 20 years, the county and cities must take specific action. The county must:

- **Adopt new, incentive-based measures** that demonstrably increase the likelihood that development will occur at densities sufficient to accommodate needs; **and/or**
- **Amend its urban growth areas** to include sufficient land suitable for development to accommodate needs. Sufficient land must be included to accommodate the siting of public facilities or other urban infrastructure needed by the new development.

A county that adopts new, incentive-based measures must annually monitor the development activity and density and may revise or rescind the measures as appropriate. If, after five years, development is not occurring at densities sufficient to accommodate growth, the county must amend its urban growth areas.

If the evaluation indicates that the urban growth area does not contain sufficient land to accommodate needs, the city or cities must also adopt new, incentive-based measures, and must also monitor the development activity and densities and may revise or rescind the measures as appropriate.

In establishing that measures demonstrably increase the likelihood that development will occur at sufficient densities, counties and cities must ensure that land zoned for needed housing and commercial and industrial structures is in locations appropriate for such development and is zoned at density ranges likely to be achieved. Incentive-based measures: (1) must be adopted as part of development regulations; (2) must be available to all applicable properties within the zone; and (3) may not be negotiated on a case-by-case basis. Measures may include:

- Financial incentives for higher density housing, including removal of impact fees;
- Removal or easing of approval standards or procedures;
- Redevelopment and infill strategies; and
- Authorization of housing types not previously allowed.

"Lands suitable for development" means the land:

- Is not within any critical area or governed by any regulation designed to protect critical areas;
- Is served by all public facilities necessary for development or needed public facilities are provided for in the capital facilities element within the following five years;
- Is available for development, either because it is vacant or likely to be redeveloped. Land developed with a building currently occupied and habitable with an assessed value greater than the assessed value of the underlying land may not be considered land likely to be redeveloped; and
- May be developed without causing the service level of a transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan.

The evaluation of the data collected must take place every two years, instead of every five years.

The report that CTED submits to the Legislature must include an analysis of the effectiveness of the measures taken by counties and cities.

Appropriation: None.

Fiscal Note: Requested on January 23, 1998.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: We simply do not have enough land to accommodate housing needs and to meet the GMA goal of providing housing at different prices. This bill provides accountability to the buildable lands inventory. There is currently no stick to make cities accept growth. We are seeing home values rise at \$1,000/month. The bill is flexible in that cities can choose the incentives. This bill will provide a process to map developable properties and provide for incentives or changing urban growth boundaries to achieve densities.

Testimony Against: We support the underlying concept of identifying buildable lands but it's too early to make changes from last year's bill. Try other measures before expanding urban growth boundaries. This bill asks cities to do more work, such as parcel-by-parcel analysis, without money to support it. Cities could not include parcels with critical areas in the inventory even if a city had a transfer of development rights program. This bill is an intrusion by government into the market economy.

Testified: Representative Sherstad, prime sponsor (pro); Paul Nolan, Building Industry Association of Washington (pro); Emerson Hoel, Building Industry Association of Washington (pro); Dave Williams, Association of Washington Cities (con); Greg Hanon, National Association of Industrial and Office Properties (pro); and Tom Bjorgen, Washington Environmental Council (con).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; Benson; Carlson; Cooke; Crouse; Grant; Lisk; Mastin; McMorris; Regala; D. Schmidt; Sehlin; Sheahan and Talcott.

Minority Report: Do not pass. Signed by 11 members: Representatives H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Chopp; Cody; Keiser; Kenney; Kessler; Parlette; Poulsen and Tokuda.

Staff: Joe Hauth (786-7271).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Government Reform & Land Use: The definition of "land suitable for development" is modified. The public facilities must be provided for in the comprehensive plan within the following 20 years, instead of five years. If specific funding is not provided in the Omnibus Appropriations Act, the bill is null and void.

Appropriation: None.

Fiscal Note: Requested on January 23, 1998.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

Testimony For: This bill will add an accountability provision to the buildable lands program and provide an accurate inventory. It is meant to provide incentives to reduce the shortage of buildable lands and will help define what is suitable for development. The fiscal note assumptions are questionable. Many jurisdictions have completed comprehensive planning. If costs are indeterminate, then it is uncertain whether the cost impact is major or minor.

Testimony Against: None.

Testified: Jody Walker and Dick Ducharme, Building Industry Associations of Washington.