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**SUBSTITUTE HOUSE BILL 1725**

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**State of Washington**

**55th Legislature**

**1997 Regular Session**

**By** House Committee on Government Reform & Land Use (originally sponsored by Representatives Ogden, Radcliff, Zellinsky, Grant, Costa, Blalock, Cooper, Murray, Dunshee, Morris, Wood and Mason)

Read first time 03/05/97.

1 AN ACT Relating to residential housing in urban centers; and  
2 amending RCW 84.14.010, 84.14.030, and 84.14.050.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 84.14.010 and 1995 c 375 s 3 are each amended to read  
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in  
7 this section apply throughout this chapter.

8 (1) "City" means: (a) Any city or town with a population of at  
9 least one hundred ((fifty)) thousand located in a county planning under  
10 the growth management act; or (b) any city or town, regardless of  
11 population, which is the largest city or town in a county required to  
12 plan under the growth management act.

13 (2) "Governing authority" means the local legislative authority of  
14 a city having jurisdiction over the property for which an exemption may  
15 be applied for under this chapter.

16 (3) "Growth management act" means chapter 36.70A RCW.

17 (4) "Multiple-unit housing" means a building having four or more  
18 dwelling units not designed or used as transient accommodations and not  
19 including hotels and motels. Multifamily units may result from new

1 construction or rehabilitated or conversion of vacant, underutilized,  
2 or substandard buildings to multifamily housing.

3 (5) "Owner" means the property owner of record.

4 (6) "Permanent residential occupancy" means multiunit housing that  
5 provides either rental or owner occupancy on a nontransient basis.  
6 This includes owner-occupied or rental accommodation that is leased for  
7 a period of at least one month. This excludes hotels and motels that  
8 predominately offer rental accommodation on a daily or weekly basis.

9 (7) "Rehabilitation improvements" means modifications to existing  
10 structures, that are vacant for twelve months or longer, that are made  
11 to achieve a condition of substantial compliance with existing building  
12 codes or modification to existing occupied structures which increase  
13 the number of multifamily housing units.

14 (8) "Residential targeted area" means an area within an urban  
15 center that has been designated by the governing authority as a  
16 residential targeted area in accordance with this chapter.

17 (9) "Substantial compliance" means compliance with local building  
18 or housing code requirements that are typically required for  
19 rehabilitation as opposed to new construction.

20 (10) "Urban center" means a compact identifiable district where  
21 urban residents may obtain a variety of products and services. An  
22 urban center must contain:

23 (a) Several existing or previous, or both, business establishments  
24 that may include but are not limited to shops, offices, banks,  
25 restaurants, governmental agencies;

26 (b) Adequate public facilities including streets, sidewalks,  
27 lighting, transit, domestic water, and sanitary sewer systems; and

28 (c) A mixture of uses and activities that may include housing,  
29 recreation, and cultural activities in association with either  
30 commercial or office, or both, use.

31 **Sec. 2.** RCW 84.14.030 and 1995 c 375 s 6 are each amended to read  
32 as follows:

33 An owner of property making application under this chapter must  
34 meet the following requirements:

35 (1) The new or rehabilitated multiple-unit housing must be located  
36 in a residential targeted area as designated by the city;

37 (2) The multiple-unit housing must meet the guidelines as adopted  
38 by the governing authority that may include height, density, public

1 benefit features, number and size of proposed development, parking,  
2 low-income or moderate-income occupancy requirements, and other adopted  
3 requirements indicated necessary by the city. The required amenities  
4 should be relative to the size of the project and tax benefit to be  
5 obtained;

6 (3) The new, converted, or rehabilitated multiple-unit housing must  
7 provide for a minimum of fifty percent of the space for permanent  
8 residential occupancy. In the case of existing occupied multifamily  
9 development, the multifamily housing must also provide for a minimum of  
10 four additional multifamily units. Existing multifamily vacant housing  
11 that has been vacant for twelve months or more does not have to provide  
12 additional multifamily units;

13 (4) New construction multifamily housing and rehabilitation  
14 improvements must be completed within three years from the date of  
15 approval of the application;

16 (5) Property proposed to be rehabilitated must be vacant at least  
17 twelve months before submitting an application and fail to comply with  
18 one or more standards of the applicable state or local building or  
19 housing codes on or after July 23, 1995; and

20 (6) The applicant must enter into a contract with the city approved  
21 by the governing body under which the applicant has agreed to the  
22 implementation of the development on terms and conditions satisfactory  
23 to the governing authority.

24 **Sec. 3.** RCW 84.14.050 and 1995 c 375 s 8 are each amended to read  
25 as follows:

26 An owner of property seeking tax incentives under this chapter must  
27 complete the following procedures:

28 (1) In the case of rehabilitation or where demolition or new  
29 construction is required, the owner shall secure from the governing  
30 authority or duly authorized agent, before commencement of  
31 rehabilitation improvements or new construction, verification of  
32 property noncompliance with applicable building and housing codes;

33 (2) In the case of new and rehabilitated multifamily housing, the  
34 owner shall apply to the city on forms adopted by the governing  
35 authority. The application must contain the following:

36 (a) Information setting forth the grounds supporting the requested  
37 exemption including information indicated on the application form or in  
38 the guidelines;

1 (b) A description of the project and site plan, including the floor  
2 plan of units and other information requested;

3 (c) A statement that the applicant is aware of the potential tax  
4 liability involved when the property ceases to be eligible for the  
5 incentive provided under this chapter;

6 (3) The applicant must verify the application by oath or  
7 affirmation; and

8 (4) The application must be made on or before April 1 of each year,  
9 and must be accompanied by the application fee, if any, required under  
10 RCW ((~~84.14.070~~)) 84.14.080. The governing authority may permit the  
11 applicant to revise an application before final action by the governing  
12 authority.

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