

# SENATE BILL REPORT

## SB 5914

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As Reported By Senate Committee On:  
State & Local Government, March 3, 1999

**Title:** An act relating to enforcement and incentive measures for compliance with growth management housing goals.

**Brief Description:** Providing incentive and enforcement measures for compliance with growth management housing goals.

**Sponsors:** Senators Patterson, Prentice, McCaslin, Oke, Kline, Sheahan, Franklin, Shin, Goings, Haugen, Winsley and Rasmussen.

**Brief History:**

**Committee Activity:** State & Local Government: 2/22/99, 3/3/99 [DPS, DNPS].

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### SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

**Majority Report:** That Substitute Senate Bill No. 5914 be substituted therefor, and the substitute bill do pass.

Signed by Senators Patterson, Chair; Gardner, Vice Chair; Hale, Haugen, Kline and McCaslin.

**Minority Report:** Do not pass substitute.

Signed by Senator Horn.

**Staff:** Sharon Swanson (786-7445)

**Background:** The Growth Management Act (GMA) was enacted in 1990 and 1991. GMA establishes requirements for all counties in the state and imposes additional requirements for the faster growing counties. One of the primary requirements for counties and cities that plan under GMA is the adoption of goals, including housing goals, to guide the development and adoption of comprehensive plans and development regulations. The housing goals encourage the availability of affordable housing to all economic segments of the population of the state, promote a variety of residential densities and housing types, and encourage the preservation of existing housing stock.

**Summary of Substitute Bill:** Each comprehensive plan must include a housing element that specifies the goals for new housing units to be produced at ten-year intervals as provided by the countywide planning policy. The comprehensive plan must also identify sufficient land with applicable development regulations that allow for moderate to high-density development to accommodate housing needs.

A countywide planning policy must address policies that consider the need for affordable housing, such as housing for all economic segments of the population, and parameters for its distribution to the urban, unincorporated areas of the county and each of the cities within

the county. No later than December 31, 1999, countywide planning policies must incorporate goals for housing production for the county and each city within the county in ten-year intervals, sufficient to accommodate housing needs based upon 20-year population growth projected by the Office of Financial Management (OFM). New goals must be established when OFM issues new population projections.

The review and evaluation program adopted by counties with a population of 1,500,000 or more must provide for annual collection and reporting of data on urban and rural land use to the Department of Community, Trade, and Economic Development (CTED).

Development data collected must, at a minimum, include:

- the number of applications made for residential development and the number of residential units;
- the number of applications approved, the number of residential units, and density of residential units compared to maximum density allowed on the site;
- the net number of new residential dwelling units;
- the number of applications made for commercial and industrial development;
- the number of applications approved for commercial and industrial development, including the square footage and estimated number of employees;
- an assessment of market forces; and
- an assessment of the availability of public services and facilities to serve the population growth.

The evaluation component of the program must:

- require a joint report from each county and its cities regarding regional growth patterns and trends, comparing employment, housing growth, market conditions, and compiling data on new development;
- determine whether there is sufficient land suitable for development to accommodate the countywide population projection;
- determine the amount of known environmentally sensitive land and public open space that cannot be built upon.

If the evaluation demonstrates that the county or any city has fallen short of its ten-year goal for new residential construction by more than 15 percent, or is not developing per the land use designations and densities planned for the jurisdiction in its comprehensive plan, the county or city must revise its comprehensive land use plan and development or other regulations as necessary. The county or city not meeting the criteria must adopt and implement measures within one year, or within the next cycle, to revise local planning documents that increases consistency during the subsequent ten-year period and ensure that the jurisdiction can accommodate the residential units necessary.

Measures to accommodate growth include:

- amending the jurisdiction's comprehensive plan or development regulations to include incentive-based measures that encourage development to occur at densities sufficient to accommodate residential, commercial, and industrial needs for 20 years;

- up-zoning or revising zoning designations for land within the boundaries of the jurisdiction in a manner that encourages development to occur at densities sufficient to accommodate residential, commercial, and industrial needs for 20 years.

Jurisdictions participating in the review and evaluation program, and whose zoning is consistent with their comprehensive plan, are entitled to incentive provisions to help accommodate growth and achieve goals including:

- authorization to utilize state funding for "transfer of development rights" banks and amenities to accommodate growth as provided for in the state general fund budget;
- eligibility for property tax abatement for multi-family housing;
- upon achieving 15 percent of projected goals, further prioritization for allocation of transit and transportation funding to jurisdictions accommodating growth.

The legislative authority of any county or city must identify in the adopted budget the low-income housing activities funded in whole or in part from the proceeds of the tax on the sale of real property. A plan for the expenditure of the excise tax proceeds must be prepared by the legislative authority, and a public hearing must be held to obtain public input.

Whenever a state agency is considering awarding grants or loans for a county, city, or town to finance public facilities, it must grant priority status to any county, city, or town accommodating growth.

The Community Economic Revitalization Board must give priority to projects within political subdivisions that are accommodating growth.

**Substitute Bill Compared to Original Bill:** The substitute bill removes the Growth Management Hearings Board's ability to sanction a jurisdiction for noncompliance.

The substitute bill only applies to King County.

The incentives for a jurisdiction to use .01 percent from the state sales tax for the cost of local infrastructure is removed.

The authorization to use .01 percent of the selling price of each retail sale to be dedicated to capital costs of local infrastructure is removed.

Counties are given ten years to reach goals, rather than five years.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** There is a need for sanctions and accountability to force local jurisdictions into accountability for their part in the housing shortage. Housing costs have gone up 27 percent in three years with little reaction from cities. People who cannot afford to live in King County are forced to commute, hence the increased traffic problems. Incentives are

a good way to help cooperating cities meet their targets. Housing is no more a private sector issue than employment is.

**Testimony Against:** The buildable lands goals of 1997 have barely begin to be implemented. Adding new requirements does not help. We have yet to see what will come of the 1997 law. Redirected money from REET will cause locals to rely on impact fees and drive up costs of housing. There is a real risk that the quality of live emphasis will be thrown over to comply with new requirements. Fear of sanctions will control.

**Testified:** PRO: Cynthia Sullivan, King County Council; Scott Hazlegrove, AWB; Majken Ryherd Keira, WA Low Income Housing Congress; Jim Halstrom, Master Builders of King and Snohomish Counties, Lucy Steers, LWV-WA; Mike Spence; Jim Potter, Greater Seattle CC; Steven Maples, Assn. of Realtors; Susan Crowley, City of Seattle; Tracy Burrows, 1000 Friends of WA; Randy Bannecker, East King County CC Legislative Coalition; CON: Chris Leman, Jeffrey Michka, Al Hampton, Coalition of WA Communities; Judy Cubborn, Debbie Edde, Dave Williams, Bob Mack, City Panel; Patrick McBride, BIAW; Harold Robinson, WA Chapter American Planning Assn.