
HOUSE BILL 2257

State of Washington 56th Legislature 1999 Regular Session

By Representatives McIntire, Mielke, Dunshee, Talcott, Dunn and Scott

Read first time 03/02/1999. Referred to Committee on Local Government.

1 AN ACT Relating to local government land use practices; amending
2 RCW 36.70A.070, 36.70A.215, 36.70A.345, 47.80.050, 82.08.020,
3 82.46.010, 43.17.250, 43.160.060, 70.146.070, 84.14.010, and 82.02.060;
4 and adding new sections to chapter 36.70A RCW.

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

6 NEW SECTION. **Sec. 1.** It is in the public interest in the most
7 densely populated areas to direct growth to urban areas and accommodate
8 housing for all economic segments of the population. To achieve these
9 goals, the legislature finds that communities in the most densely
10 populated areas must plan for the density necessary to accommodate the
11 population growth projected, implement measures to provide the
12 necessary infrastructure, and encourage an adequate supply of housing,
13 particularly on lands in proximity to frequent transit service.

14 **Sec. 2.** RCW 36.70A.070 and 1998 c 171 s 2 are each amended to read
15 as follows:

16 The comprehensive plan of a county or city that is required or
17 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,
18 and descriptive text covering objectives, principles, and standards

1 used to develop the comprehensive plan. The plan shall be an
2 internally consistent document and all elements shall be consistent
3 with the future land use map. A comprehensive plan shall be adopted
4 and amended with public participation as provided in RCW 36.70A.140.

5 Each comprehensive plan shall include a plan, scheme, or design for
6 each of the following:

7 (1) A land use element designating the proposed general
8 distribution and general location and extent of the uses of land, where
9 appropriate, for agriculture, timber production, housing, commerce,
10 industry, recreation, open spaces, general aviation airports, public
11 utilities, public facilities, and other land uses. The land use
12 element shall include population densities, building intensities, and
13 estimates of future population growth. The land use element shall
14 provide for protection of the quality and quantity of ground water used
15 for public water supplies. Where applicable, the land use element
16 shall review drainage, flooding, and storm water run-off in the area
17 and nearby jurisdictions and provide guidance for corrective actions to
18 mitigate or cleanse those discharges that pollute waters of the state,
19 including Puget Sound or waters entering Puget Sound.

20 (2) A housing element ensuring the vitality and character of
21 established residential neighborhoods that:

22 (a) Includes an inventory and analysis of existing and projected
23 housing needs;

24 (b) Includes a statement of goals, policies, objectives, and
25 mandatory provisions for the preservation, improvement, and development
26 of housing, including single-family residences;

27 (c) For a county with a population of one million five hundred
28 thousand or more, and any city within such county, specifies goals for
29 net new housing units to be produced at five-year intervals as provided
30 by the county-wide planning policy;

31 (d) Identifies sufficient land for housing, including, but not
32 limited to, government-assisted housing, housing for low-income
33 families, manufactured housing, multifamily housing, and group homes
34 and foster care facilities. For a county with a population of one
35 million five hundred thousand or more, and any city within such county,
36 the housing element shall also identify applicable development
37 regulations that allow for moderate to high-density development to
38 accommodate such housing; and

1 (~~(d)~~) (e) Makes adequate provisions for existing and projected
2 needs of all economic segments of the community.

3 (3) A capital facilities plan element consisting of: (a) An
4 inventory of existing capital facilities owned by public entities,
5 showing the locations and capacities of the capital facilities; (b) a
6 forecast of the future needs for such capital facilities; (c) the
7 proposed locations and capacities of expanded or new capital
8 facilities; (d) at least a six-year plan that will finance such capital
9 facilities within projected funding capacities and clearly identifies
10 sources of public money for such purposes; and (e) a requirement to
11 reassess the land use element if probable funding falls short of
12 meeting existing needs and to ensure that the land use element, capital
13 facilities plan element, and financing plan within the capital
14 facilities plan element are coordinated and consistent.

15 (4) A utilities element consisting of the general location,
16 proposed location, and capacity of all existing and proposed utilities,
17 including, but not limited to, electrical lines, telecommunication
18 lines, and natural gas lines.

19 (5) Rural element. Counties shall include a rural element
20 including lands that are not designated for urban growth, agriculture,
21 forest, or mineral resources. The following provisions shall apply to
22 the rural element:

23 (a) Growth management act goals and local circumstances. Because
24 circumstances vary from county to county, in establishing patterns of
25 rural densities and uses, a county may consider local circumstances,
26 but shall develop a written record explaining how the rural element
27 harmonizes the planning goals in RCW 36.70A.020 and meets the
28 requirements of this chapter.

29 (b) Rural development. The rural element shall permit rural
30 development, forestry, and agriculture in rural areas. The rural
31 element shall provide for a variety of rural densities, uses, essential
32 public facilities, and rural governmental services needed to serve the
33 permitted densities and uses. In order to achieve a variety of rural
34 densities and uses, counties may provide for clustering, density
35 transfer, design guidelines, conservation easements, and other
36 innovative techniques that will accommodate appropriate rural densities
37 and uses that are not characterized by urban growth and that are
38 consistent with rural character.

1 (c) Measures governing rural development. The rural element shall
2 include measures that apply to rural development and protect the rural
3 character of the area, as established by the county, by:

4 (i) Containing or otherwise controlling rural development;

5 (ii) Assuring visual compatibility of rural development with the
6 surrounding rural area;

7 (iii) Reducing the inappropriate conversion of undeveloped land
8 into sprawling, low-density development in the rural area;

9 (iv) Protecting critical areas, as provided in RCW 36.70A.060, and
10 surface water and ground water resources; and

11 (v) Protecting against conflicts with the use of agricultural,
12 forest, and mineral resource lands designated under RCW 36.70A.170.

13 (d) Limited areas of more intensive rural development. Subject to
14 the requirements of this subsection and except as otherwise
15 specifically provided in this subsection (5)(d), the rural element may
16 allow for limited areas of more intensive rural development, including
17 necessary public facilities and public services to serve the limited
18 area as follows:

19 (i) Rural development consisting of the infill, development, or
20 redevelopment of existing commercial, industrial, residential, or
21 mixed-use areas, whether characterized as shoreline development,
22 villages, hamlets, rural activity centers, or crossroads developments.
23 A commercial, industrial, residential, shoreline, or mixed-use area
24 shall be subject to the requirements of (d)(iv) of this subsection, but
25 shall not be subject to the requirements of (c)(ii) and (iii) of this
26 subsection. An industrial area is not required to be principally
27 designed to serve the existing and projected rural population;

28 (ii) The intensification of development on lots containing, or new
29 development of, small-scale recreational or tourist uses, including
30 commercial facilities to serve those recreational or tourist uses, that
31 rely on a rural location and setting, but that do not include new
32 residential development. A small-scale recreation or tourist use is
33 not required to be principally designed to serve the existing and
34 projected rural population. Public services and public facilities
35 shall be limited to those necessary to serve the recreation or tourist
36 use and shall be provided in a manner that does not permit low-density
37 sprawl;

38 (iii) The intensification of development on lots containing
39 isolated nonresidential uses or new development of isolated cottage

1 industries and isolated small-scale businesses that are not principally
2 designed to serve the existing and projected rural population and
3 nonresidential uses, but do provide job opportunities for rural
4 residents. Public services and public facilities shall be limited to
5 those necessary to serve the isolated nonresidential use and shall be
6 provided in a manner that does not permit low-density sprawl;

7 (iv) A county shall adopt measures to minimize and contain the
8 existing areas or uses of more intensive rural development, as
9 appropriate, authorized under this subsection. Lands included in such
10 existing areas or uses shall not extend beyond the logical outer
11 boundary of the existing area or use, thereby allowing a new pattern of
12 low-density sprawl. Existing areas are those that are clearly
13 identifiable and contained and where there is a logical boundary
14 delineated predominately by the built environment, but that may also
15 include undeveloped lands if limited as provided in this subsection.
16 The county shall establish the logical outer boundary of an area of
17 more intensive rural development. In establishing the logical outer
18 boundary the county shall address (A) the need to preserve the
19 character of existing natural neighborhoods and communities, (B)
20 physical boundaries such as bodies of water, streets and highways, and
21 land forms and contours, (C) the prevention of abnormally irregular
22 boundaries, and (D) the ability to provide public facilities and public
23 services in a manner that does not permit low-density sprawl;

24 (v) For purposes of (d) of this subsection, an existing area or
25 existing use is one that was in existence:

26 (A) On July 1, 1990, in a county that was initially required to
27 plan under all of the provisions of this chapter;

28 (B) On the date the county adopted a resolution under RCW
29 36.70A.040(2), in a county that is planning under all of the provisions
30 of this chapter under RCW 36.70A.040(2); or

31 (C) On the date the office of financial management certifies the
32 county's population as provided in RCW 36.70A.040(5), in a county that
33 is planning under all of the provisions of this chapter pursuant to RCW
34 36.70A.040(5).

35 (e) Exception. This subsection shall not be interpreted to permit
36 in the rural area a major industrial development or a master planned
37 resort unless otherwise specifically permitted under RCW 36.70A.360 and
38 36.70A.365.

1 (6) A transportation element that implements, and is consistent
2 with, the land use element.

3 (a) The transportation element shall include the following
4 subelements:

5 (i) Land use assumptions used in estimating travel;

6 (ii) Estimated traffic impacts to state-owned transportation
7 facilities resulting from land use assumptions to assist the department
8 of transportation in monitoring the performance of state facilities, to
9 plan improvements for the facilities, and to assess the impact of land-
10 use decisions on state-owned transportation facilities;

11 (iii) Facilities and services needs, including:

12 (A) An inventory of air, water, and ground transportation
13 facilities and services, including transit alignments and general
14 aviation airport facilities, to define existing capital facilities and
15 travel levels as a basis for future planning. This inventory must
16 include state-owned transportation facilities within the city or
17 county's jurisdiction boundaries;

18 (B) Level of service standards for all locally owned arterials and
19 transit routes to serve as a gauge to judge performance of the system.
20 These standards should be regionally coordinated;

21 (C) For state-owned transportation facilities, level of service
22 standards for highways, as prescribed in chapters 47.06 and 47.80 RCW,
23 to gauge the performance of the system. The purposes of reflecting
24 level of service standards for state highways in the local
25 comprehensive plan are to monitor the performance of the system, to
26 evaluate improvement strategies, and to facilitate coordination between
27 the county's or city's six-year street, road, or transit program and
28 the department of transportation's six-year investment program. The
29 concurrency requirements of (b) of this subsection do not apply to
30 transportation facilities and services of state-wide significance
31 except for counties consisting of islands whose only connection to the
32 mainland are state highways or ferry routes. In these island counties,
33 state highways and ferry route capacity must be a factor in meeting the
34 concurrency requirements in (b) of this subsection;

35 (D) Specific actions and requirements for bringing into compliance
36 locally owned transportation facilities or services that are below an
37 established level of service standard;

1 (E) Forecasts of traffic for at least ten years based on the
2 adopted land use plan to provide information on the location, timing,
3 and capacity needs of future growth;

4 (F) Identification of state and local system needs to meet current
5 and future demands. Identified needs on state-owned transportation
6 facilities must be consistent with the state-wide multimodal
7 transportation plan required under chapter 47.06 RCW;

8 (iv) Finance, including:

9 (A) An analysis of funding capability to judge needs against
10 probable funding resources;

11 (B) A multiyear financing plan based on the needs identified in the
12 comprehensive plan, the appropriate parts of which shall serve as the
13 basis for the six-year street, road, or transit program required by RCW
14 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795
15 for public transportation systems. The multiyear financing plan should
16 be coordinated with the six-year improvement program developed by the
17 department of transportation as required by RCW 47.05.030;

18 (C) If probable funding falls short of meeting identified needs, a
19 discussion of how additional funding will be raised, or how land use
20 assumptions will be reassessed to ensure that level of service
21 standards will be met;

22 (v) Intergovernmental coordination efforts, including an assessment
23 of the impacts of the transportation plan and land use assumptions on
24 the transportation systems of adjacent jurisdictions;

25 (vi) Demand-management strategies.

26 (b) After adoption of the comprehensive plan by jurisdictions
27 required to plan or who choose to plan under RCW 36.70A.040, local
28 jurisdictions must adopt and enforce ordinances which prohibit
29 development approval if the development causes the level of service on
30 a locally owned transportation facility to decline below the standards
31 adopted in the transportation element of the comprehensive plan, unless
32 transportation improvements or strategies to accommodate the impacts of
33 development are made concurrent with the development. These strategies
34 may include increased public transportation service, ride sharing
35 programs, demand management, and other transportation systems
36 management strategies. For the purposes of this subsection (6)
37 "concurrent with the development" shall mean that improvements or
38 strategies are in place at the time of development, or that a financial

1 commitment is in place to complete the improvements or strategies
2 within six years.

3 (c) The transportation element described in this subsection (6),
4 and the six-year plans required by RCW 35.77.010 for cities, RCW
5 36.81.121 for counties, RCW 35.58.2795 for public transportation
6 systems, and RCW 47.05.030 for the state, must be consistent.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A RCW
8 to read as follows:

9 In addition to the requirements of RCW 36.70A.210, a county with a
10 population of one million five hundred thousand or more shall address,
11 in its county-wide planning policy, policies that consider the need for
12 affordable housing, such as housing for all economic segments of the
13 population and parameters for its distribution to the urban,
14 unincorporated areas of the county and each of the cities within the
15 county. By December 31, 1999, county-wide planning policies shall
16 incorporate goals for housing production for the county and each city,
17 in five-year intervals, sufficient to accommodate housing needs based
18 upon twenty-year population growth projected by the office of financial
19 management. New goals shall be established when the office of
20 financial management issues new population projections.

21 **Sec. 4.** RCW 36.70A.215 and 1997 c 429 s 25 are each amended to
22 read as follows:

23 (1) Subject to the limitations in subsection (7) of this section,
24 a county shall adopt, in consultation with its cities, county-wide
25 planning policies to establish a review and evaluation program. This
26 program shall be in addition to the requirements of RCW 36.70A.110,
27 36.70A.130, and 36.70A.210. In developing and implementing the review
28 and evaluation program required by this section, the county and its
29 cities shall consider information from other appropriate jurisdictions
30 and sources. The purpose of the review and evaluation program shall be
31 to:

32 (a) Determine whether a county and its cities are achieving urban
33 densities within urban growth areas by comparing growth and development
34 assumptions, targets, and objectives contained in the county-wide
35 planning policies and the county and city comprehensive plans with
36 actual growth and development that has occurred in the county and its
37 cities; and

1 (b) Identify reasonable measures, other than adjusting urban growth
2 areas, that will be taken to comply with the requirements of this
3 chapter.

4 (2) The review and evaluation program shall:

5 (a) Encompass land uses and activities both within and outside of
6 urban growth areas and provide for annual collection of data on urban
7 and rural land uses, development, critical areas, and capital
8 facilities to the extent necessary to determine the quantity and type
9 of land suitable for development, both for residential and employment-
10 based activities;

11 (b) Provide for evaluation of the data collected under (a) of this
12 subsection every five years as provided in subsection (3) of this
13 section. The first evaluation shall be completed not later than
14 September 1, 2002. The county and its cities may establish in the
15 county-wide planning policies indicators, benchmarks, and other similar
16 criteria to use in conducting the evaluation;

17 (c) Provide for methods to resolve disputes among jurisdictions
18 relating to the county-wide planning policies required by this section
19 and procedures to resolve inconsistencies in collection and analysis of
20 data; and

21 (d) Provide for the amendment of the county-wide policies and
22 county and city comprehensive plans as needed to remedy an
23 inconsistency identified through the evaluation required by this
24 section, or to bring these policies into compliance with the
25 requirements of this chapter.

26 (3) At a minimum, the evaluation component of the program required
27 by subsection (1) of this section shall:

28 (a) Determine whether there is sufficient suitable land to
29 accommodate the county-wide population projection established for the
30 county pursuant to RCW 43.62.035 and the subsequent population
31 allocations within the county and between the county and its cities and
32 the requirements of RCW 36.70A.110;

33 (b) Determine the actual density of housing that has been
34 constructed and the actual amount of land developed for commercial and
35 industrial uses within the urban growth area since the adoption of a
36 comprehensive plan under this chapter or since the last periodic
37 evaluation as required by subsection (1) of this section; and

38 (c) Based on the actual density of development as determined under
39 (b) of this subsection, review commercial, industrial, and housing

1 needs by type and density range to determine the amount of land needed
2 for commercial, industrial, and housing for the remaining portion of
3 the twenty-year planning period used in the most recently adopted
4 comprehensive plan.

5 (4) If the evaluation required by subsection (3) of this section
6 demonstrates an inconsistency between what has occurred since the
7 adoption of the county-wide planning policies and the county and city
8 comprehensive plans and development regulations and what was envisioned
9 in those policies and plans and the planning goals and the requirements
10 of this chapter, as the inconsistency relates to the evaluation factors
11 specified in subsection (3) of this section, the county and its cities
12 shall adopt and implement measures that are reasonably likely to
13 increase consistency during the subsequent five-year period. If
14 necessary, a county, in consultation with its cities as required by RCW
15 36.70A.210, shall adopt amendments to county-wide planning policies to
16 increase consistency. The county and its cities shall annually monitor
17 the measures adopted under this subsection to determine their effect
18 and may revise or rescind them as appropriate.

19 (5)(a) Not later than July 1, 1998, the department shall prepare a
20 list of methods used by counties and cities in carrying out the types
21 of activities required by this section. The department shall provide
22 this information and appropriate technical assistance to counties and
23 cities required to or choosing to comply with the provisions of this
24 section.

25 (b) By December 31, 2007, the department shall submit to the
26 appropriate committees of the legislature a report analyzing the
27 effectiveness of the activities described in this section in achieving
28 the goals envisioned by the county-wide planning policies and the
29 comprehensive plans and development regulations of the counties and
30 cities.

31 (6) From funds appropriated by the legislature for this purpose,
32 the department shall provide grants to counties, cities, and regional
33 planning organizations required under subsection (7) of this section to
34 conduct the review and perform the evaluation required by this section.

35 (7) The provisions of this section shall apply to counties, and the
36 cities within those counties, that were greater than one hundred fifty
37 thousand in population in 1995 as determined by office of financial
38 management population estimates and that are located west of the crest
39 of the Cascade mountain range but does not apply to any county with a

1 population of one million five hundred thousand or more nor to the
2 cities within such county. Any other county planning under RCW
3 36.70A.040 may carry out the review, evaluation, and amendment programs
4 and procedures as provided in this section.

5 NEW SECTION. **Sec. 5.** A new section is added to chapter 36.70A RCW
6 to read as follows:

7 (1) Subject to the limitations in subsection (12) of this section,
8 a county subject to this section shall adopt, in consultation with its
9 cities, county-wide planning policies to establish a review and
10 evaluation program. This program shall be in addition to the
11 requirements of RCW 36.70A.110, 36.70A.130, and 36.70A.210. In
12 developing and implementing the review and evaluation program required
13 by this section, the county and its cities shall consider information
14 from other appropriate jurisdictions and sources. The purpose of the
15 review and evaluation program shall be to:

16 (a) Determine whether the county and its cities are achieving urban
17 densities within urban growth areas by comparing growth and development
18 assumptions, targets, and objectives contained in the county-wide
19 planning policies and the county and city comprehensive plans and
20 development regulations with actual growth and development that has
21 occurred in the county and its cities;

22 (b) Determine whether the county and each of its cities are
23 achieving goals established for net new housing units to be produced in
24 five-year intervals to meet twenty-year household projections, as
25 provided by the county-wide planning policy and comprehensive plan, and
26 are making adequate provision for existing and projected housing needs
27 of all economic segments of the community; and

28 (c) Identify reasonable measures, other than adjusting urban growth
29 areas, that will be taken to comply with the requirements of this
30 chapter.

31 (2) The review and evaluation program shall:

32 (a) Encompass land uses and activities both within and outside of
33 urban growth areas and provide for annual collection and reporting of
34 data to the department on urban and rural land uses, development,
35 critical areas, and capital facilities to the extent necessary to
36 determine the quantity and type of land suitable for development, both
37 for residential and employment-based activities;

38 (b) Development data collected shall, at a minimum, include:

1 (i) The number of applications made for residential development,
2 and the number of residential units;

3 (ii) The number of applications approved, the number of residential
4 units, and density of residential units compared to maximum density
5 allowed on the site;

6 (iii) The net number of new residential dwelling units;

7 (iv) The estimated net number of new jobs created reported on a
8 biennial basis from existing data;

9 (v) An assessment of market factors including a county-wide
10 analysis of housing availability inside and outside urban growth
11 boundaries; and

12 (vi) A general assessment of the availability of public services
13 and facilities to serve the population growth.

14 (c) Provide for evaluation of the data collected under (a) of this
15 subsection every five years as provided in subsection (3) of this
16 section. The first evaluation shall be completed not later than
17 September 1, 2002. The county and its cities may establish in the
18 county-wide planning policies indicators, benchmarks, and other similar
19 criteria to use in conducting the evaluation;

20 (d) Provide for methods to resolve disputes among jurisdictions
21 relating to the county-wide planning policies required by this section
22 and procedures to resolve inconsistencies in collection and analysis of
23 data; and

24 (e) Provide for the amendment of the county-wide policies and
25 county and city comprehensive plans and development regulations as
26 needed to remedy an inconsistency identified through the evaluation
27 required by this section, or to bring these policies into compliance
28 with the requirements of this chapter.

29 (3) At a minimum, the evaluation component of the program required
30 by subsection (1) of this section shall:

31 (a) Require a joint report from the county and its cities regarding
32 regional growth patterns, trends, comparing employment, housing growth,
33 and market conditions; and compiling data on new development;

34 (b) Determine whether there is sufficient suitable land to
35 accommodate the county-wide population projection established for the
36 county pursuant to RCW 43.62.035 and the subsequent population
37 allocations within the county and between the county and its cities and
38 the requirements of RCW 36.70A.110;

1 (c) Determine the actual density of housing that has been
2 constructed and the actual amount of land developed for commercial and
3 industrial uses within the urban growth area since the adoption of a
4 comprehensive plan under this chapter or since the last periodic
5 evaluation as required by subsection (1) of this section; and

6 (d) Based on the actual density of development as determined under
7 (c) of this subsection, review commercial, industrial, and housing
8 needs by type and density range to determine the amount of land needed
9 for commercial, industrial, and housing for the remaining portion of
10 the twenty-year planning period used in the most recently adopted
11 comprehensive plan.

12 (4) If the evaluation required by subsection (3) of this section
13 demonstrates an inconsistency between what has occurred since the
14 adoption of the county-wide planning policies and the county and city
15 comprehensive plans and development regulations and what was envisioned
16 in those policies and plans and the planning goals and the requirements
17 of this chapter, as the inconsistency relates to the evaluation factors
18 specified in subsection (3) of this section; or demonstrates that the
19 county or any city has fallen short of its five-year goal for new
20 residential construction by more than fifteen percent, or is not
21 developing per the land use designations and densities planned for the
22 jurisdiction in its comprehensive plan based on the evaluation factors
23 specified in subsection (3) of this section, the county or city shall
24 revise its comprehensive land use plan and development or other
25 regulations as necessary. The county or city not meeting the criteria
26 shall adopt and implement measures within one year or within the next
27 cycle to revise local planning documents that will increase consistency
28 during the subsequent five-year period and ensure that the jurisdiction
29 can accommodate the residential units necessary for population growth
30 and density projected for the jurisdiction in the county-wide planning
31 policy and its comprehensive plan. If necessary, a county, in
32 consultation with its cities as required by RCW 36.70A.210, shall adopt
33 amendments to county-wide planning policies to increase consistency.
34 The county and its cities shall annually monitor the measures adopted
35 under this subsection to determine their effect and may revise or
36 rescind them as appropriate. Measures to accommodate growth include,
37 but are not limited to, the following:

38 (a) Upzoning or revising zoning designations for land within the
39 boundaries of the jurisdiction in a manner that encourages development

1 to occur at densities sufficient to accommodate residential needs for
2 twenty years; and

3 (b) Amending the jurisdiction's comprehensive plan or development
4 regulations to include incentive-based measures that encourage
5 development to occur at densities sufficient to accommodate residential
6 needs for twenty years. Incentive-based measures may include, but are
7 not limited to:

8 (i) Financial incentives and regulatory flexibility for higher
9 density housing;

10 (ii) Redevelopment and infill strategies;

11 (iii) Authorization of housing types not previously allowed by the
12 comprehensive plan or development regulations;

13 (iv) Allowing for subdivisions to achieve lot size reductions;

14 (v) Encouraging mixed use development through zoning and
15 incentives; and

16 (vi) Subsidizing fees or taxes for housing accommodating low-income
17 and moderate-income households.

18 (5) In establishing that actions and measures adopted under
19 subsection (4) of this section encourage development to occur at
20 densities sufficient to accommodate residential needs for twenty years,
21 the county or city shall, at a minimum, demonstrate to the department
22 that all urban land designated for housing uses is zoned at density
23 ranges that are demonstrably more likely than not to be achieved by the
24 market.

25 (6) Amendments to comprehensive plans and development regulations
26 by the county and its cities must comply with this chapter.

27 (7) If three years after making the changes identified in
28 subsection (4) of this section a county or city is still failing to
29 achieve housing production of not less than fifteen percent below its
30 five-year housing goals, the county or city shall be subject to
31 petition to the growth management hearings board for review of
32 compliance and may be subject to sanctions as provided in RCW
33 36.70A.345. In determining compliance with achieving the housing goals,
34 the growth management hearings board shall not consider a jurisdiction
35 to be out of compliance if:

36 (a) The jurisdiction's failure is a result of the lack of housing
37 demand in the local housing market;

1 (b) The jurisdiction and state have not funded the infrastructure
2 necessary to accommodate projected residential units within the five-
3 year interval;

4 (c) The jurisdiction's failure is a result of the lack of
5 development applications that comply with the jurisdiction's
6 development regulations adopted under this chapter; or

7 (d) The jurisdiction has adopted a financially feasible
8 infrastructure phasing plan that demonstrates how infrastructure
9 improvements and housing growth are planned to be phased in over the
10 twenty-year planning period.

11 (8) On and after the effective date of this act, jurisdictions
12 participating in the review and evaluation program established by this
13 section, and whose zoning is consistent with its comprehensive plan,
14 shall be entitled to incentive provisions to help accommodate growth
15 and achieve goals, including:

16 (a) Dedication of the revenue generated from one-tenth of one
17 percent of the state sales tax collected within that jurisdiction under
18 RCW 82.08.020 to capital costs of local infrastructure;

19 (b) Authorization to use their portion of the local option real
20 estate excise tax for capital costs of low-income housing as prescribed
21 by RCW 82.46.010;

22 (c) Authorization to utilize state funding for "transfer of
23 development rights" banks and amenities to accommodate growth as
24 provided for in the state general fund budget;

25 (d) Eligibility for property tax abatement for multifamily housing,
26 as prescribed by chapter 84.14 RCW;

27 (e) Upon achieving growth of not less than fifteen percent below
28 projected goals, additional points shall be granted in funding formulas
29 used to award state grants as prescribed by RCW 43.17.250, 43.160.060,
30 and 70.146.070. Such additional points shall only be considered when
31 comparing grant applications from jurisdictions subject to and in
32 compliance with this section; and

33 (f) Upon achieving growth of not less than fifteen percent below
34 projected goals, additional points shall be awarded for allocation of
35 transit and transportation funding as prescribed by RCW 47.80.050.
36 Such points shall only be considered when comparing applications from
37 jurisdictions subject to and in compliance with this section.

1 (9) County-wide planning policies may contain additional incentive
2 provisions and enforcement measures to accommodate growth and achieve
3 housing goals.

4 (10)(a) Not later than July 1, 1998, the department shall prepare
5 a list of methods used by counties and cities in carrying out the types
6 of activities required by this section. The department shall provide
7 this information and appropriate technical assistance to counties and
8 cities required to or choosing to comply with the provisions of this
9 section.

10 (b) By December 31, 2003 and 2008, the department shall submit to
11 the appropriate committees of the legislature a report analyzing the
12 effectiveness of the activities described and measures taken by the
13 counties and cities in this section in achieving the goals envisioned
14 by the county-wide planning policies and the comprehensive plans and
15 development regulations of the counties and cities.

16 (11) From funds appropriated by the legislature for this purpose,
17 the department shall provide grants to counties, cities, and regional
18 planning organizations required under subsection (12) of this section
19 to conduct the review and perform the evaluation required by this
20 section.

21 (12) This section applies only to a county with a population of one
22 million five hundred thousand or more and to any city within such
23 county.

24 (13) If section 9 or 14, chapter . . . , Laws of 1999 (section 9 or
25 14 of this act) is not enacted, this section is null and void.

26 **Sec. 6.** RCW 36.70A.345 and 1994 c 249 s 33 are each amended to
27 read as follows:

28 The governor may impose a sanction or sanctions specified under RCW
29 36.70A.340 on:

30 (1) A county or city that fails to designate critical areas,
31 agricultural lands, forest lands, or mineral resource lands under RCW
32 36.70A.170 by the date such action was required to have been taken;

33 (2) A county or city that fails to adopt development regulations
34 under RCW 36.70A.060 protecting critical areas or conserving
35 agricultural lands, forest lands, or mineral resource lands by the date
36 such action was required to have been taken;

1 (3) A county that fails to designate urban growth areas under RCW
2 36.70A.110 by the date such action was required to have been taken;
3 ((and))

4 (4) A county or city that fails to adopt its comprehensive plan or
5 development regulations when such actions are required to be taken;

6 (5) A county or city that fails to sufficiently plan to accommodate
7 growth, or provide incentive measures as necessary to encourage
8 development to accommodate residential needs, as prescribed in section
9 5 of this act;

10 (6) A county or city that fails to achieve not less than fifteen
11 percent below housing goals, or make significant progress toward
12 eliminating housing production obstacles and deficiencies within three
13 years, as prescribed in section 5 of this act.

14 Imposition of a sanction or sanctions under this section shall be
15 preceded by written findings by the governor, that either the county or
16 city is not proceeding in good faith to meet the requirements of the
17 act; or that the county or city has unreasonably delayed taking the
18 required action. The governor shall consult with and communicate his
19 or her findings to the appropriate growth management hearings board
20 prior to imposing the sanction or sanctions. For those counties or
21 cities that are not required to plan or have not opted in, the governor
22 in imposing sanctions shall consider the size of the jurisdiction
23 relative to the requirements of this chapter and the degree of
24 technical and financial assistance provided.

25 **Sec. 7.** RCW 47.80.050 and 1990 1st ex.s. c 17 s 57 are each
26 amended to read as follows:

27 Biennial appropriations to the department of transportation to
28 carry out the regional transportation planning program shall set forth
29 the amounts to be allocated as follows:

30 (1) A base amount per county for each county within each regional
31 transportation planning organization, to be distributed to the lead
32 planning agency;

33 (2) An amount to be distributed to each lead planning agency on a
34 per capita basis; ((and))

35 (3) An amount to be administered by the department of
36 transportation as a discretionary grant program for special regional
37 planning projects, including grants to allow counties which have

1 significant transportation interests in common with an adjoining region
2 to also participate in that region's planning efforts; and

3 (4) An amount to be administered by the department of
4 transportation for grants to counties and cities subject to and in
5 compliance with section 5 of this act.

6 **Sec. 8.** RCW 82.08.020 and 1998 c 321 s 36 are each amended to read
7 as follows:

8 (1) There is levied and there shall be collected a tax on each
9 retail sale in this state equal to six and five-tenths percent of the
10 selling price.

11 (2) There is levied and there shall be collected an additional tax
12 on each retail car rental, regardless of whether the vehicle is
13 licensed in this state, equal to five and nine-tenths percent of the
14 selling price. The revenue collected under this subsection shall be
15 deposited and distributed in the same manner as motor vehicle excise
16 tax revenue collected under RCW 82.44.020(1).

17 (3) The taxes imposed under this chapter shall apply to successive
18 retail sales of the same property.

19 (4) The rates provided in this section apply to taxes imposed under
20 chapter 82.12 RCW as provided in RCW 82.12.020.

21 (5) Of the taxes collected under subsection (1) of this section, an
22 amount equal to one-tenth of one percent of the selling price of each
23 retail sale collected within a jurisdiction subject to and in
24 compliance with section 5 of this act shall be dedicated to capital
25 costs of local infrastructure within such jurisdiction.

26 **Sec. 9.** RCW 82.46.010 and 1994 c 272 s 1 are each amended to read
27 as follows:

28 (1)(a) The legislative authority of any county or city shall
29 identify in the adopted budget the capital projects funded in whole or
30 in part from the proceeds of the tax authorized in this section, and
31 shall indicate that such tax is intended to be in addition to other
32 funds that may be reasonably available for such capital projects.

33 (b) The legislative authority of any county with a population of
34 one million five hundred thousand or more and any city within such
35 county shall identify in the adopted budget the capital projects and
36 low-income housing activities funded in whole or in part from the
37 proceeds of the tax authorized in this section, and shall indicate that

1 such tax is intended to be in addition to other funds that may be
2 reasonably available for such capital projects and low-income housing
3 activities.

4 (2) The legislative authority of any county or any city may impose
5 an excise tax on each sale of real property in the unincorporated areas
6 of the county for the county tax and in the corporate limits of the
7 city for the city tax at a rate not exceeding one-quarter of one
8 percent of the selling price. The revenues from this tax shall be used
9 by any city or county with a population of five thousand or less and
10 any city or county that does not plan under RCW 36.70A.040 for any
11 capital purpose identified in a capital improvements plan and local
12 capital improvements, including those listed in RCW 35.43.040.

13 (~~After April 30, 1992,~~) Revenues generated from the tax imposed
14 under this subsection in counties over five thousand population and
15 cities over five thousand population that are required or choose to
16 plan under RCW 36.70A.040 shall be used solely for financing capital
17 projects specified in a capital facilities plan element of a
18 comprehensive plan and housing relocation assistance under RCW
19 59.18.440 and 59.18.450, except as provided in section 5 of this act
20 for jurisdictions subject to and in compliance with section 5 of this
21 act. However, revenues (a) pledged by such counties and cities to debt
22 retirement prior to April 30, 1992, may continue to be used for that
23 purpose until the original debt for which the revenues were pledged is
24 retired, or (b) committed prior to April 30, 1992, by such counties or
25 cities to a project may continue to be used for that purpose until the
26 project is completed.

27 (3) In lieu of imposing the tax authorized in RCW 82.14.030(2), the
28 legislative authority of any county or any city may impose an
29 additional excise tax on each sale of real property in the
30 unincorporated areas of the county for the county tax and in the
31 corporate limits of the city for the city tax at a rate not exceeding
32 one-half of one percent of the selling price.

33 (4) Taxes imposed under this section shall be collected from
34 persons who are taxable by the state under chapter 82.45 RCW upon the
35 occurrence of any taxable event within the unincorporated areas of the
36 county or within the corporate limits of the city, as the case may be.

37 (5) Taxes imposed under this section shall comply with all
38 applicable rules, regulations, laws, and court decisions regarding real
39 estate excise taxes as imposed by the state under chapter 82.45 RCW.

1 (6) As used in this section((7)):

2 (a) "City" means any city or town ((and));

3 (b) "Capital project" means those public works projects of a local
4 government for planning, acquisition, construction, reconstruction,
5 repair, replacement, rehabilitation, or improvement of streets; roads;
6 highways; sidewalks; street and road lighting systems; traffic signals;
7 bridges; domestic water systems; storm and sanitary sewer systems;
8 parks; recreational facilities; law enforcement facilities; fire
9 protection facilities; trails; libraries; administrative and/or
10 judicial facilities; river and/or waterway flood control projects by
11 those jurisdictions that, prior to June 11, 1992, have expended funds
12 derived from the tax authorized by this section for such purposes; and,
13 until December 31, 1995, housing projects for those jurisdictions that,
14 prior to June 11, 1992, have expended or committed to expend funds
15 derived from the tax authorized by this section or the tax authorized
16 by RCW 82.46.035 for such purposes;

17 (c) "Low-income housing activities" include the capital costs for
18 planning, acquisition, building, improving, or restoring publicly owned
19 low-income housing, granting funds to nonprofit organizations and
20 nonprofit partnerships for low-income housing, and other financial aid
21 or grants to individuals or organizations, provided the amounts are
22 dedicated solely to the capital costs for planning, building,
23 improvement, restoration, or provision of low-income housing, from a
24 local government subject to section 5 of this act. A plan for the
25 expenditure of the excise tax proceeds for this purpose shall be
26 prepared by the legislative authority prior to the adoption of this
27 plan, and a public hearing shall be held to obtain public input;

28 (d) "Low-income housing" means housing provided for low-income
29 households; and

30 (e) "Low-income household" means a single person, family, or
31 unrelated persons living together whose income is at or below fifty
32 percent of the median income, adjusted for household size, in the
33 county where the low-income housing is located.

34 (7) If section 5 or 14, chapter . . . , Laws of 1999 (section 5 or
35 14 of this act) is not enacted, this section is null and void.

36 **Sec. 10.** RCW 43.17.250 and 1991 sp.s. c 32 s 25 are each amended
37 to read as follows:

1 Whenever a state agency is considering awarding grants or loans for
2 a county, city, or town to finance public facilities, it shall consider
3 whether the county, city, or town that is requesting the grant or loan
4 is a party to a county-wide planning policy under RCW 36.70A.210
5 relating to the type of public facility for which the grant or loan is
6 sought(~~(, and))~~); shall accord additional preference to the county,
7 city, or town if such county-wide planning policy exists; and shall
8 award additional points to any county, city, or town subject to and in
9 compliance with section 5 of this act. Such additional points shall
10 only be considered when comparing grant applications from jurisdictions
11 subject to section 5 of this act. Whenever a state agency is
12 considering awarding grants or loans to a special district for public
13 facilities, it shall consider whether the county, city, or town in
14 whose planning jurisdiction the proposed facility is located is a party
15 to a county-wide planning policy under RCW 36.70A.210 relating to the
16 type of public facility for which the grant or loan is sought.

17 **Sec. 11.** RCW 43.160.060 and 1996 c 51 s 5 are each amended to read
18 as follows:

19 The board is authorized to make direct loans to political
20 subdivisions of the state for the purposes of assisting the political
21 subdivisions in financing the cost of public facilities, including
22 development of land and improvements for public facilities, as well as
23 the construction, rehabilitation, alteration, expansion, or improvement
24 of the facilities. A grant may also be authorized for purposes
25 designated in this chapter, but only when, and to the extent that, a
26 loan is not reasonably possible, given the limited resources of the
27 political subdivision and the finding by the board that unique
28 circumstances exist. The board shall not obligate more than twenty
29 percent of its biennial appropriation as grants.

30 Application for funds shall be made in the form and manner as the
31 board may prescribe. In making grants or loans the board shall conform
32 to the following requirements:

33 (1) The board shall not provide financial assistance:

34 (a) For a project the primary purpose of which is to facilitate or
35 promote a retail shopping development or expansion.

36 (b) For any project that evidence exists would result in a
37 development or expansion that would displace existing jobs in any other
38 community in the state.

1 (c) For the acquisition of real property, including buildings and
2 other fixtures which are a part of real property.

3 (2) The board shall only provide financial assistance:

4 (a) For those projects which would result in specific private
5 developments or expansions (i) in manufacturing, production, food
6 processing, assembly, warehousing, and industrial distribution; (ii)
7 for processing recyclable materials or for facilities that support
8 recycling, including processes not currently provided in the state,
9 including but not limited to, de-inking facilities, mixed waste paper,
10 plastics, yard waste, and problem-waste processing; (iii) for
11 manufacturing facilities that rely significantly on recyclable
12 materials, including but not limited to waste tires and mixed waste
13 paper; (iv) which support the relocation of businesses from
14 nondistressed urban areas to distressed rural areas; or (v) which
15 substantially support the trading of goods or services outside of the
16 state's borders.

17 (b) For projects which it finds will improve the opportunities for
18 the successful maintenance, establishment, or expansion of industrial
19 or commercial plants or will otherwise assist in the creation or
20 retention of long-term economic opportunities.

21 (c) When the application includes convincing evidence that a
22 specific private development or expansion is ready to occur and will
23 occur only if the public facility improvement is made.

24 (3) The board shall prioritize each proposed project according to
25 the relative benefits provided to the community by the jobs the project
26 would create, not just the total number of jobs it would create after
27 the project is completed and according to the unemployment rate in the
28 area in which the jobs would be located. As long as there is more
29 demand for financial assistance than there are funds available, the
30 board is instructed to fund projects in order of their priority.

31 (4) A responsible official of the political subdivision shall be
32 present during board deliberations and provide information that the
33 board requests.

34 (5) Before any financial assistance application is approved, the
35 political subdivision seeking the assistance must demonstrate to the
36 (~~community economic revitalization~~) board that no other timely source
37 of funding is available to it at costs reasonably similar to financing
38 available from the (~~community economic revitalization~~) board.

1 (6) The board shall award additional points to any political
2 subdivision subject to and in compliance with section 5 of this act.
3 Such additional points shall only be considered when comparing grant
4 applications from jurisdictions subject to section 5 of this act.

5 **Sec. 12.** RCW 70.146.070 and 1997 c 429 s 30 are each amended to
6 read as follows:

7 When making grants or loans for water pollution control facilities,
8 the department shall consider the following:

9 (1) The protection of water quality and public health;

10 (2) The cost to residential ratepayers if they had to finance water
11 pollution control facilities without state assistance;

12 (3) Actions required under federal and state permits and compliance
13 orders;

14 (4) The level of local fiscal effort by residential ratepayers
15 since 1972 in financing water pollution control facilities;

16 (5) The extent to which the applicant county or city, or if the
17 applicant is another public body, the extent to which the county or
18 city in which the applicant public body is located, has established
19 programs to mitigate nonpoint pollution of the surface or subterranean
20 water sought to be protected by the water pollution control facility
21 named in the application for state assistance; and

22 (6) The recommendations of the Puget Sound action team and any
23 other board, council, commission, or group established by the
24 legislature or a state agency to study water pollution control issues
25 in the state.

26 Except where necessary to address a public health need or
27 substantial environmental degradation, a county, city, or town that is
28 required or chooses to plan under RCW 36.70A.040 may not receive a
29 grant or loan for water pollution control facilities unless it has
30 adopted a comprehensive plan in conformance with the requirements of
31 chapter 36.70A RCW, after it is required that the comprehensive plan be
32 adopted, or unless it has adopted development regulations in
33 conformance with the requirements of chapter 36.70A RCW, after it is
34 required that development regulations be adopted; and, if the applicant
35 county or city is subject to section 5 of this act, it is in compliance
36 with section 5 of this act.

1 **Sec. 13.** RCW 84.14.010 and 1997 c 429 s 40 are each amended to
2 read as follows:

3 Unless the context clearly requires otherwise, the definitions in
4 this section apply throughout this chapter.

5 (1) "City" means either:

6 (a) A city or town with a population of at least one hundred
7 thousand ((or));

8 (b) The largest city or town, if there is no city or town with a
9 population of at least one hundred thousand, located in a county
10 planning under the growth management act; or

11 (c) Any city or town subject to and in compliance with section 5 of
12 this 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
20 construction or rehabilitated or conversion of vacant, underutilized,
21 or substandard buildings to multifamily housing.

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

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

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

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

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

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

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

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

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

12 **Sec. 14.** RCW 82.02.060 and 1990 1st ex.s. c 17 s 44 are each
13 amended to read as follows:

14 The local ordinance by which impact fees are imposed:

15 (1) Shall include a schedule of impact fees which shall be adopted
16 for each type of development activity that is subject to impact fees,
17 specifying the amount of the impact fee to be imposed for each type of
18 system improvement. The schedule shall be based upon a formula or
19 other method of calculating such impact fees. In determining
20 proportionate share, the formula or other method of calculating impact
21 fees shall incorporate, among other things, the following:

22 (a) The cost of public facilities necessitated by new development;

23 (b) An adjustment to the cost of the public facilities for past or
24 future payments made or reasonably anticipated to be made by new
25 development to pay for particular system improvements in the form of
26 user fees, debt service payments, taxes, or other payments earmarked
27 for or proratable to the particular system improvement;

28 (c) The availability of other means of funding public facility
29 improvements;

30 (d) The cost of existing public facilities improvements; and

31 (e) The methods by which public facilities improvements were
32 financed;

33 (2) May provide an exemption for low-income housing, and other
34 development activities with broad public purposes, from these impact
35 fees, provided that the impact fees for such development activity shall
36 be paid from public funds other than impact fee accounts;

37 (3) Shall provide a credit for the value of any dedication of land
38 for, improvement to, or new construction of any system improvements

1 provided by the developer, to facilities that are identified in the
2 capital facilities plan and that are required by the county, city, or
3 town as a condition of approving the development activity;

4 (4) Shall provide that impact fees for residential construction be
5 collected at the time of closing or twelve months after the building
6 permit is issued;

7 (5) Shall allow the county, city, or town imposing the impact fees
8 to adjust the standard impact fee at the time the fee is imposed to
9 consider unusual circumstances in specific cases to ensure that impact
10 fees are imposed fairly;

11 ~~((+5))~~ (6) Shall include a provision for calculating the amount of
12 the fee to be imposed on a particular development that permits
13 consideration of studies and data submitted by the developer to adjust
14 the amount of the fee;

15 ~~((+6))~~ (7) Shall establish one or more reasonable service areas
16 within which it shall calculate and impose impact fees for various land
17 use categories per unit of development;

18 ~~((+7))~~ (8) May provide for the imposition of an impact fee for
19 system improvement costs previously incurred by a county, city, or town
20 to the extent that new growth and development will be served by the
21 previously constructed improvements provided such fee shall not be
22 imposed to make up for any system improvement deficiencies.

23 If section 5 or 9, chapter . . . , Laws of 1999 (section 5 or 9 of
24 this act) is not enacted, this section is null and void.

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