
ENGROSSED SUBSTITUTE SENATE BILL 5914

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on State & Local Government (originally sponsored by Senators Patterson, Prentice, McCaslin, Oke, Kline, Sheahan, Franklin, Shin, Goings, Haugen, Winsley and Rasmussen)

Read first time 03/03/1999.

1 AN ACT Relating to local government land use practices; amending
2 RCW 36.70A.010, 36.70A.215, 36.70A.345, 47.80.050, 82.46.010,
3 43.17.250, 43.160.060, 70.146.070, and 84.14.010; and adding new
4 sections to chapter 36.70A RCW.

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

6 **Sec. 1.** RCW 36.70A.010 and 1990 1st ex.s. c 17 s 1 are each
7 amended to read as follows:

8 The legislature finds that uncoordinated and unplanned growth,
9 together with a lack of common goals expressing the public's interest
10 in the conservation and the wise use of our lands, pose a threat to the
11 environment, sustainable economic development, and the health, safety,
12 and high quality of life enjoyed by residents of this state. It is in
13 the public interest that citizens, communities, local governments, and
14 the private sector cooperate and coordinate with one another in
15 comprehensive land use planning. It is in the public interest to
16 direct growth to urban areas and accommodate housing for all economic
17 segments of the population. To achieve these goals, the legislature
18 finds that communities must plan for the density necessary to
19 accommodate the population growth projected, implement measures to

1 provide the necessary infrastructure, and encourage an adequate supply
2 of housing in urban areas, particularly on lands in proximity to
3 frequent transit service. Further, the legislature finds that it is in
4 the public interest that economic development programs be shared with
5 communities experiencing insufficient economic growth.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A RCW
7 to read as follows:

8 In addition to the requirements of RCW 36.70A.210, a county with a
9 population of one million five hundred thousand or more shall address,
10 in its county-wide planning policy, policies that consider the need for
11 affordable housing, such as housing for all economic segments of the
12 population and parameters for its distribution to the urban,
13 unincorporated areas of the county and each of the cities within the
14 county. By December 31, 1999, county-wide planning policies shall
15 incorporate goals for housing production for the county and each city,
16 in ten-year intervals, sufficient to accommodate housing needs based
17 upon twenty-year population growth projected by the office of financial
18 management. Nothing in this section is intended to change the duties
19 of the office of financial management under RCW 43.62.035. New goals
20 shall be established when the office of financial management issues new
21 population projections.

22 **Sec. 3.** RCW 36.70A.215 and 1997 c 429 s 25 are each amended to
23 read as follows:

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

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

1 actual growth and development that has occurred in the county and its
2 cities; and

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

6 (2) The review and evaluation program shall:

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

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

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

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

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

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

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

1 (c) Based on the actual density of development as determined under
2 (b) of this subsection, review commercial, industrial, and housing
3 needs by type and density range to determine the amount of land needed
4 for commercial, industrial, and housing for the remaining portion of
5 the twenty-year planning period used in the most recently adopted
6 comprehensive plan.

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

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

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

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

37 (7) The provisions of this section shall apply to counties, and the
38 cities within those counties, that were greater than one hundred fifty
39 thousand in population in 1995 as determined by office of financial

1 management population estimates and that are located west of the crest
2 of the Cascade mountain range but does not apply to any county with a
3 population of one million five hundred thousand or more nor to the
4 cities within such county. Any other county planning under RCW
5 36.70A.040 may carry out the review, evaluation, and amendment programs
6 and procedures as provided in this section.

7 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70A RCW
8 to read as follows:

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

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

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

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

33 (2) The review and evaluation program shall:

34 (a) Encompass land uses and activities both within and outside of
35 urban growth areas and provide for annual collection and reporting of
36 data to the department on urban and rural land uses, development,
37 critical areas, and capital facilities to the extent necessary to

1 determine the quantity and type of land suitable for development, both
2 for residential and employment-based activities;

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

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

6 (ii) The number of applications approved, the number of residential
7 units, and density of residential units compared to maximum density
8 allowed on the site;

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

10 (iv) The number of applications made for commercial and industrial
11 development;

12 (v) The number of applications approved for commercial and
13 industrial development, including the square footage and estimated
14 number of employees;

15 (vi) The estimated net number of new jobs created reported on a
16 biennial basis from existing data;

17 (vii) An assessment of market factors including a county-wide
18 analysis of housing availability inside and outside urban growth
19 boundaries; and

20 (viii) An assessment of the availability of public services and
21 facilities to serve the population growth.

22 (c) Provide for evaluation of the data collected under (a) of this
23 subsection every ten years as provided in subsection (3) of this
24 section. The first evaluation shall be completed not later than
25 September 1, 2002. The county and its cities may establish in the
26 county-wide planning policies indicators, benchmarks, and other similar
27 criteria to use in conducting the evaluation;

28 (d) Provide for methods to resolve disputes among jurisdictions
29 relating to the county-wide planning policies required by this section
30 and procedures to resolve inconsistencies in collection and analysis of
31 data; and

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

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

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

4 (b) Determine whether there is sufficient land suitable for
5 development to accommodate the county-wide population projection
6 established for the county pursuant to RCW 43.62.035 and the subsequent
7 population allocations within the county and between the county and its
8 cities and the requirements of RCW 36.70A.110;

9 (c) Determine the actual density of housing that has been
10 constructed, the actual amount of land developed for commercial and
11 industrial uses within the urban growth area since the adoption of a
12 comprehensive plan under this chapter or since the last periodic
13 evaluation as required by subsection (1) of this section, and the
14 amount of known environmentally sensitive land and public open space
15 that cannot be built upon; and

16 (d) Based on the actual density of development as determined under
17 (c) of this subsection, review commercial, industrial, and housing
18 needs by type and density range to determine the amount of land needed
19 for commercial, industrial, and housing for the remaining portion of
20 the twenty-year planning period used in the most recently adopted
21 comprehensive plan.

22 (4) If the evaluation required by subsection (3) of this section
23 demonstrates an inconsistency between what has occurred since the
24 adoption of the county-wide planning policies and the county and city
25 comprehensive plans and development regulations and what was envisioned
26 in those policies and plans and the planning goals and the requirements
27 of this chapter, as the inconsistency relates to the evaluation factors
28 specified in subsection (3) of this section; or demonstrates that the
29 county or any city has fallen short of its ten-year goal for new
30 residential construction by more than fifteen percent, or is not
31 developing per the land use designations and densities planned for the
32 jurisdiction in its comprehensive plan based on the evaluation factors
33 specified in subsection (3) of this section, the county or city shall
34 revise its comprehensive land use plan and development or other
35 regulations as necessary. The county or city not meeting the criteria
36 shall adopt and implement measures within one year or within the next
37 cycle to revise local planning documents that will increase consistency
38 during the subsequent ten-year period and ensure that the jurisdiction
39 can accommodate the residential units necessary for population growth

1 and density projected for the jurisdiction in the county-wide planning
2 policy and its comprehensive plan. If necessary, a county, in
3 consultation with its cities as required by RCW 36.70A.210, shall adopt
4 amendments to county-wide planning policies to increase consistency.
5 Failure to make appropriate changes in the period specified shall make
6 the jurisdiction subject to petition to the growth management hearings
7 board for noncompliance. The county and its cities shall annually
8 monitor the measures adopted under this subsection to determine their
9 effect and may revise or rescind them as appropriate. Measures to
10 accommodate growth include, but are not limited to, the following:

11 (a) Upzoning or revising zoning designations for land within the
12 boundaries of the jurisdiction in a manner that encourages development
13 to occur at densities sufficient to accommodate residential,
14 commercial, and industrial needs for twenty years; and

15 (b) Amending the jurisdiction's comprehensive plan or development
16 regulations to include incentive-based measures that encourage
17 development to occur at densities sufficient to accommodate
18 residential, commercial, and industrial needs for twenty years.
19 Incentive-based measures may include, but are not limited to:

20 (i) Financial incentives and regulatory flexibility for higher
21 density housing;

22 (ii) Redevelopment and infill strategies;

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

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

26 (v) Encouraging mixed use development through zoning and
27 incentives; and

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

30 (5) In establishing that actions and measures adopted under
31 subsection (4) of this section encourage development to occur at
32 densities sufficient to accommodate residential, commercial, and
33 industrial needs for twenty years, the county or city shall, at a
34 minimum, demonstrate to the department that all urban land designated
35 for housing and commercial and industrial uses is zoned at density
36 ranges that are demonstrably more likely than not to be achieved by the
37 market.

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

1 (7) On and after the effective date of this act, jurisdictions
2 participating in the review and evaluation program established by this
3 section, and whose zoning is consistent with its comprehensive plan,
4 shall be entitled to incentive provisions to help accommodate growth
5 and achieve goals, including:

6 (a) Authorization to use their portion of the local option real
7 estate excise tax for capital costs of low-income housing as prescribed
8 by RCW 82.46.010;

9 (b) Authorization to utilize state funding for "transfer of
10 development rights" banks and amenities to accommodate growth as
11 provided for in the state general fund budget;

12 (c) Eligibility for property tax abatement for multifamily housing,
13 as prescribed by chapter 84.14 RCW;

14 (d) Upon achieving growth of not less than fifteen percent below
15 projected goals, additional points shall be granted in funding formulas
16 used to award state grants as prescribed by RCW 43.17.250, 43.160.060,
17 and 70.146.070. Such additional points shall only be considered when
18 comparing grant applications from jurisdictions subject to and in
19 compliance with this section; and

20 (e) Upon achieving growth of not less than fifteen percent below
21 projected goals, additional points shall be awarded for allocation of
22 transit and transportation funding as prescribed by RCW 47.80.050.
23 Such points shall only be considered when comparing applications from
24 jurisdictions subject to and in compliance with this section.

25 (8) County-wide planning policies may contain additional incentive
26 provisions and enforcement measures to accommodate growth and achieve
27 housing goals.

28 (9)(a) Not later than July 1, 1998, the department shall prepare a
29 list of methods used by counties and cities in carrying out the types
30 of activities required by this section. The department shall provide
31 this information and appropriate technical assistance to counties and
32 cities required to or choosing to comply with the provisions of this
33 section.

34 (b) By December 31, 2003 and 2008, the department shall submit to
35 the appropriate committees of the legislature a report analyzing the
36 effectiveness of the activities described and measures taken by the
37 counties and cities in this section in achieving the goals envisioned
38 by the county-wide planning policies and the comprehensive plans and
39 development regulations of the counties and cities.

1 (10) From funds appropriated by the legislature for this purpose,
2 the department shall provide grants to counties, cities, and regional
3 planning organizations required under subsection (12) of this section
4 to conduct the review and perform the evaluation required by this
5 section.

6 (11) For the purposes of this section, "land suitable for
7 development" means all vacant, partially used, redevelopable, or
8 underutilized land that, after taking into account the protection of
9 critical areas, is: (a) Designated for commercial, industrial, or
10 residential use; and (b) not intended for public use.

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

14 **Sec. 5.** RCW 36.70A.345 and 1994 c 249 s 33 are each amended to
15 read as follows:

16 The governor may impose a sanction or sanctions specified under RCW
17 36.70A.340 on:

18 (1) A county or city that fails to designate critical areas,
19 agricultural lands, forest lands, or mineral resource lands under RCW
20 36.70A.170 by the date such action was required to have been taken;

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

25 (3) A county that fails to designate urban growth areas under RCW
26 36.70A.110 by the date such action was required to have been taken;
27 ((and))

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

30 (5) A county or city that fails to provide sufficient land suitable
31 for development to accommodate its share of a county-wide population
32 projection established for the county pursuant to RCW 43.62.035 and the
33 subsequent population allocations within the county and between the
34 county and its cities and the requirements of RCW 36.70A.110;

35 (6) A county or city that fails to sufficiently plan to accommodate
36 growth, or provide incentive measures as necessary to encourage
37 development to accommodate residential needs, as prescribed in section
38 4 of this act;

1 (7) A county or city that fails to achieve not less than fifteen
2 percent below housing goals, or make significant progress toward
3 eliminating housing production obstacles and deficiencies within three
4 years, as prescribed in section 4 of this act;

5 (8) Subsections (5), (6), and (7) of this section apply only to a
6 county with a population of one million five hundred thousand or more,
7 and any city within such county.

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

19 **Sec. 6.** RCW 47.80.050 and 1990 1st ex.s. c 17 s 57 are each
20 amended to read as follows:

21 Biennial appropriations to the department of transportation to
22 carry out the regional transportation planning program shall set forth
23 the amounts to be allocated as follows:

24 (1) A base amount per county for each county within each regional
25 transportation planning organization, to be distributed to the lead
26 planning agency;

27 (2) An amount to be distributed to each lead planning agency on a
28 per capita basis; ~~((and))~~

29 (3) An amount to be administered by the department of
30 transportation as a discretionary grant program for special regional
31 planning projects, including grants to allow counties which have
32 significant transportation interests in common with an adjoining region
33 to also participate in that region's planning efforts; and

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

1 **Sec. 7.** RCW 82.46.010 and 1994 c 272 s 1 are each amended to read
2 as follows:

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

8 (b) The legislative authority of any county with a population of
9 one million five hundred thousand or more and any city within such
10 county shall identify in the adopted budget the capital projects and
11 low-income housing activities funded in whole or in part from the
12 proceeds of the tax authorized in this section, and shall indicate that
13 such tax is intended to be in addition to other funds that may be
14 reasonably available for such capital projects and low-income housing
15 activities.

16 (2) The legislative authority of any county or any city may impose
17 an excise tax on each sale of real property in the unincorporated areas
18 of the county for the county tax and in the corporate limits of the
19 city for the city tax at a rate not exceeding one-quarter of one
20 percent of the selling price. The revenues from this tax shall be used
21 by any city or county with a population of five thousand or less and
22 any city or county that does not plan under RCW 36.70A.040 for any
23 capital purpose identified in a capital improvements plan and local
24 capital improvements, including those listed in RCW 35.43.040.

25 (~~After April 30, 1992,~~) Revenues generated from the tax imposed
26 under this subsection in counties over five thousand population and
27 cities over five thousand population that are required or choose to
28 plan under RCW 36.70A.040 shall be used solely for financing capital
29 projects specified in a capital facilities plan element of a
30 comprehensive plan and housing relocation assistance under RCW
31 59.18.440 and 59.18.450, except as provided in section 4 of this act
32 for jurisdictions subject to and in compliance with section 4 of this
33 act. However, revenues (a) pledged by such counties and cities to debt
34 retirement prior to April 30, 1992, may continue to be used for that
35 purpose until the original debt for which the revenues were pledged is
36 retired, or (b) committed prior to April 30, 1992, by such counties or
37 cities to a project may continue to be used for that purpose until the
38 project is completed.

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

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

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

14 (6) As used in this section ~~((τ))~~:

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

16 (b) "Capital project" means those public works projects of a local
17 government for planning, acquisition, construction, reconstruction,
18 repair, replacement, rehabilitation, or improvement of streets; roads;
19 highways; sidewalks; street and road lighting systems; traffic signals;
20 bridges; domestic water systems; storm and sanitary sewer systems;
21 parks; recreational facilities; law enforcement facilities; fire
22 protection facilities; trails; libraries; administrative and/or
23 judicial facilities; river and/or waterway flood control projects by
24 those jurisdictions that, prior to June 11, 1992, have expended funds
25 derived from the tax authorized by this section for such purposes;
26 ~~((and, until December 31, 1995, housing projects for those~~
27 ~~jurisdictions that, prior to June 11, 1992, have expended or committed~~
28 ~~to expend funds derived from the tax authorized by this section or the~~
29 ~~tax authorized by RCW 82.46.035 for such purposes))~~

30 (c) "Low-income housing activities" include the capital costs for
31 planning, acquisition, building, improving, or restoring publicly owned
32 low-income housing, granting funds to nonprofit organizations for low-
33 income housing, and other financial aid or grants to individuals or
34 organizations, provided the amounts are dedicated solely to the capital
35 costs for planning, building, improvement, restoration, or provision of
36 low-income housing, from a local government subject to section 4 of
37 this act. A plan for the expenditure of the excise tax proceeds for
38 this purpose shall be prepared by the legislative authority prior to

1 the adoption of this plan, and a public hearing shall be held to obtain
2 public input;

3 (d) "Low-income housing" means housing provided for low-income
4 households; and

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

9 **Sec. 8.** RCW 43.17.250 and 1991 sp.s. c 32 s 25 are each amended to
10 read as follows:

11 Whenever a state agency is considering awarding grants or loans for
12 a county, city, or town to finance public facilities, it shall consider
13 whether the county, city, or town that is requesting the grant or loan
14 is a party to a county-wide planning policy under RCW 36.70A.210
15 relating to the type of public facility for which the grant or loan is
16 sought(~~(, and)~~); shall accord additional preference to the county,
17 city, or town if such county-wide planning policy exists; and shall
18 grant priority status to any county, city, or town subject to and in
19 compliance with section 4 of this act. Such priority status shall only
20 be granted when comparing grant applications from jurisdictions subject
21 to section 4 of this act. Whenever a state agency is considering
22 awarding grants or loans to a special district for public facilities,
23 it shall consider whether the county, city, or town in whose planning
24 jurisdiction the proposed facility is located is a party to a county-
25 wide planning policy under RCW 36.70A.210 relating to the type of
26 public facility for which the grant or loan is sought.

27 **Sec. 9.** RCW 43.160.060 and 1996 c 51 s 5 are each amended to read
28 as follows:

29 The board is authorized to make direct loans to political
30 subdivisions of the state for the purposes of assisting the political
31 subdivisions in financing the cost of public facilities, including
32 development of land and improvements for public facilities, as well as
33 the construction, rehabilitation, alteration, expansion, or improvement
34 of the facilities. A grant may also be authorized for purposes
35 designated in this chapter, but only when, and to the extent that, a
36 loan is not reasonably possible, given the limited resources of the
37 political subdivision and the finding by the board that unique

1 circumstances exist. The board shall not obligate more than twenty
2 percent of its biennial appropriation as grants.

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

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

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

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

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

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

15 (a) For those projects which would result in specific private
16 developments or expansions (i) in manufacturing, production, food
17 processing, assembly, warehousing, and industrial distribution; (ii)
18 for processing recyclable materials or for facilities that support
19 recycling, including processes not currently provided in the state,
20 including but not limited to, de-inking facilities, mixed waste paper,
21 plastics, yard waste, and problem-waste processing; (iii) for
22 manufacturing facilities that rely significantly on recyclable
23 materials, including but not limited to waste tires and mixed waste
24 paper; (iv) which support the relocation of businesses from
25 nondistressed urban areas to distressed rural areas; or (v) which
26 substantially support the trading of goods or services outside of the
27 state's borders.

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

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

35 (3) The board shall prioritize each proposed project according to
36 the relative benefits provided to the community by the jobs the project
37 would create, not just the total number of jobs it would create after
38 the project is completed and according to the unemployment rate in the
39 area in which the jobs would be located. As long as there is more

1 demand for financial assistance than there are funds available, the
2 board is instructed to fund projects in order of their priority.

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

6 (5) Before any financial assistance application is approved, the
7 political subdivision seeking the assistance must demonstrate to the
8 (~~community economic revitalization~~) board that no other timely source
9 of funding is available to it at costs reasonably similar to financing
10 available from the (~~community economic revitalization~~) board.

11 (6) The board shall grant priority status to any political
12 subdivision subject to and in compliance with section 4 of this act.
13 Such priority status shall only be granted when comparing grant
14 applications from jurisdictions subject to section 4 of this act.

15 **Sec. 10.** RCW 70.146.070 and 1997 c 429 s 30 are each amended to
16 read as follows:

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

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

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

22 (3) Actions required under federal and state permits and compliance
23 orders;

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

26 (5) The extent to which the applicant county or city, or if the
27 applicant is another public body, the extent to which the county or
28 city in which the applicant public body is located, has established
29 programs to mitigate nonpoint pollution of the surface or subterranean
30 water sought to be protected by the water pollution control facility
31 named in the application for state assistance; and

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

36 Except where necessary to address a public health need or
37 substantial environmental degradation, a county, city, or town that is
38 required or chooses to plan under RCW 36.70A.040 may not receive a

1 grant or loan for water pollution control facilities unless it has
2 adopted a comprehensive plan in conformance with the requirements of
3 chapter 36.70A RCW, after it is required that the comprehensive plan be
4 adopted, or unless it has adopted development regulations in
5 conformance with the requirements of chapter 36.70A RCW, after it is
6 required that development regulations be adopted; and, if the applicant
7 county or city is subject to section 4 of this act, it is in compliance
8 with section 4 of this act.

9 **Sec. 11.** RCW 84.14.010 and 1997 c 429 s 40 are each amended to
10 read as follows:

11 Unless the context clearly requires otherwise, the definitions in
12 this section apply throughout this chapter.

13 (1) "City" means either:

14 (a) A city or town with a population of at least one hundred
15 thousand ((or))i

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

19 (c) Any city or town subject to and in compliance with section 4 of
20 this act.

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

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

25 (4) "Multiple-unit housing" means a building having four or more
26 dwelling units not designed or used as transient accommodations and not
27 including hotels and motels. Multifamily units may result from new
28 construction or rehabilitated or conversion of vacant, underutilized,
29 or substandard buildings to multifamily housing.

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

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

36 (7) "Rehabilitation improvements" means modifications to existing
37 structures, that are vacant for twelve months or longer, that are made
38 to achieve a condition of substantial compliance with existing building

1 codes or modification to existing occupied structures which increase
2 the number of multifamily housing units.

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

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

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

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

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

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

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