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**SUBSTITUTE HOUSE BILL 2357**

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**State of Washington**

**57th Legislature**

**2002 Regular Session**

**By** House Committee on Trade & Economic Development (originally sponsored by Representatives Veloria, Mulliken, Ogden, Fromhold, Upthegrove, Kessler, Schual-Berke, Conway and Kagi)

Read first time 02/01/2002. Referred to Committee on .

1 AN ACT Relating to community renewal; amending RCW 35.81.010,  
2 35.81.020, 35.81.030, 35.81.040, 35.81.050, 35.81.060, 35.81.070,  
3 35.81.080, 35.81.090, 35.81.100, 35.81.110, 35.81.120, 35.81.130,  
4 35.81.150, 35.81.160, 35.81.170, 35.81.180, 35.81.910, 35.82.070,  
5 35.21.730, 35.21.745, 35.57.020, and 36.100.010; adding a new section  
6 to chapter 53.08 RCW; adding new sections to chapter 35.81 RCW;  
7 creating a new section; and recodifying RCW 35.81.010 and 35.81.020.

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

9 **Sec. 1.** RCW 35.81.010 and 1991 c 363 s 41 are each amended to read  
10 as follows:

11 The following terms wherever used or referred to in this chapter,  
12 shall have the following meanings, unless a different meaning is  
13 clearly indicated by the context:

14 (1) "Agency" or "~~((urban))~~ community renewal agency" ~~((shall))~~  
15 means a public agency created ~~((by))~~ under RCW 35.81.160 or otherwise  
16 authorized to serve as a community renewal agency under this chapter.

17 (2) "Blighted area" ~~((shall))~~ means an area which, by reason of the  
18 substantial physical dilapidation, deterioration, defective  
19 construction, material, and arrangement and/or age or obsolescence of

1 buildings or improvements, whether residential or nonresidential,  
2 inadequate provision for ventilation, light, proper sanitary  
3 facilities, or open spaces as determined by competent appraisers on the  
4 basis of an examination of the building standards of the municipality;  
5 inappropriate (~~or mixed~~) uses of land or buildings; (~~high density of~~  
6 ~~population and~~) existence of overcrowding of buildings or structures;  
7 defective or inadequate street layout; faulty lot layout in relation to  
8 size, adequacy, accessibility or usefulness; excessive land coverage;  
9 insanitary or unsafe conditions; deterioration of site; existence of  
10 hazardous soils, substances, or materials; diversity of ownership; tax  
11 or special assessment delinquency exceeding the fair value of the land;  
12 defective or unusual conditions of title; improper subdivision or  
13 obsolete platting; existence of persistent and high levels of  
14 unemployment or poverty within the area; or the existence of conditions  
15 (~~which~~) that endanger life or property by fire or other causes, or  
16 any combination of such factors, is conducive to ill health,  
17 transmission of disease, infant mortality, juvenile delinquency (~~and~~)  
18 or crime; substantially impairs or arrests the sound growth of the  
19 (~~city~~) municipality or its environs, or retards the provision of  
20 housing accommodations (~~or~~); constitutes an economic or social  
21 liability(~~or~~); and/or is detrimental, or constitutes a menace, to the  
22 public health, safety, welfare, (~~and~~) or morals in its present  
23 condition and use.

24 (3) "Bonds" (~~shall~~) means any bonds, notes, or debentures  
25 (including refunding obligations) herein authorized to be issued.

26 (4) "Clerk" (~~shall~~) means the clerk or other official of the  
27 municipality who is the custodian of the official records of such  
28 municipality.

29 (5) "Community renewal area" means a blighted area which the local  
30 governing body designates as appropriate for a community renewal  
31 project or projects.

32 (6) "Community renewal plan" means a plan, as it exists from time  
33 to time, for a community renewal project or projects, which plan (a)  
34 shall be consistent with the comprehensive plan or parts thereof for  
35 the municipality as a whole; (b) shall be sufficiently complete to  
36 indicate such land acquisition, demolition, and removal of structures,  
37 redevelopment, improvements, and rehabilitation as may be proposed to  
38 be carried out in the community renewal area; zoning and planning  
39 changes, if any, which may include, among other things, changes related

1 to land uses, densities, and building requirements; and the plan's  
2 relationship to definite local objectives respecting appropriate land  
3 uses, improved traffic, public transportation, public utilities,  
4 recreational and community facilities, and other public improvements;  
5 (c) shall address the need for replacement housing, within the  
6 municipality, where existing housing is lost as a result of the  
7 community renewal project undertaken by the municipality under this  
8 chapter; and (d) may include a plan to address any persistent high  
9 levels of unemployment or poverty in the community renewal area.

10 (7) "Community renewal project" includes one or more undertakings  
11 or activities of a municipality in a community renewal area: (a) For  
12 the elimination and the prevention of the development or spread of  
13 blight; (b) for encouraging economic growth through job creation or  
14 retention; (c) for redevelopment or rehabilitation in a community  
15 renewal area; or (d) any combination or part thereof in accordance with  
16 a community renewal plan.

17 (8) "Federal government" (~~shall include~~) includes the United  
18 States of America or any agency or instrumentality, corporate or  
19 otherwise, of the United States of America.

20 ~~((+6))~~ (9) "Local governing body" (~~shall~~) means the council or  
21 other legislative body charged with governing the municipality.

22 ~~((+7))~~ (10) "Mayor" (~~shall~~) means the chief executive of a city  
23 or town, or the elected executive, if any, of any county operating  
24 under a charter, or the county legislative authority of any other  
25 county.

26 ~~((+8))~~ (11) "Municipality" (~~shall~~) means any incorporated city  
27 or town, or any county, in the state.

28 ~~((+9))~~ (12) "Obligee" (~~shall include~~) includes any bondholder,  
29 agent, or trustees for any bondholders, (~~or~~) any lessor demising to  
30 the municipality property used in connection with (~~an urban~~) a  
31 community renewal project, or any assignee or assignees of such  
32 lessor's interest or any part thereof, and the federal government when  
33 it is a party to any contract with the municipality.

34 ~~((+10))~~ (13) "Person" (~~shall~~) means any individual, firm,  
35 partnership, corporation, company, association, joint stock  
36 association, or school district; and shall include any trustee,  
37 receiver, assignee, or other person acting in a similar representative  
38 capacity.

1       (~~(11)~~) (14) "Persons of low income" means an individual with an  
2 annual income, at the time of hiring or at the time assistance is  
3 provided under this chapter, that does not exceed the higher of either:  
4 (a) Eighty percent of the statewide median family income, adjusted for  
5 family size; or (b) eighty percent of the median family income for the  
6 county or standard metropolitan statistical area, adjusted for family  
7 size, where the community renewal area is located.

8       (15) "Public body" (~~(shall)~~) means the state or any municipality,  
9 (~~(township,)~~) board, commission, district, or any other subdivision or  
10 public body of the state or of a municipality.

11       (~~(12)~~) (16) "Public officer" (~~(shall)~~) means any officer who is  
12 in charge of any department or branch of the government of the  
13 municipality relating to health, fire, building regulations, or to  
14 other activities concerning dwellings in the municipality.

15       (~~(13)~~) (17) "Real property" (~~(shall)~~) includes all lands,  
16 including improvements and fixtures thereon, and property of any nature  
17 appurtenant thereto, or used in connection therewith, and every estate,  
18 interest, right and use, legal or equitable, therein, including terms  
19 for years and liens by way of judgment, mortgage or otherwise.

20       (~~(14)~~) (18) "Redevelopment" (~~(may)~~) includes (a) acquisition of  
21 a blighted area or portion thereof; (b) demolition and removal of  
22 buildings and improvements; (c) installation, construction or  
23 reconstruction of streets, utilities, parks, playgrounds, and other  
24 improvements necessary for carrying out in the area the (~~(urban)~~)  
25 community renewal provisions of this chapter in accordance with the  
26 (~~(urban)~~) community renewal plan(~~(, — and)~~); (d) making the land  
27 available for development or redevelopment by private enterprise or  
28 public (~~(agencies)~~) bodies (including sale, initial leasing, or  
29 retention by the municipality itself) at its fair value for uses in  
30 accordance with the (~~(urban)~~) community renewal plan; and (e) making  
31 loans or grants to a person or public body for the purpose of creating  
32 or retaining jobs, a substantial portion of which, as determined by the  
33 municipality, shall be for persons of low income.

34       (~~(15)~~) (19) "Rehabilitation" (~~(may)~~) includes the restoration and  
35 renewal of a blighted area or portion thereof, in accordance with (~~(an~~  
36 ~~urban)~~) a community renewal plan, by (a) carrying out plans for a  
37 program of voluntary or compulsory repair and rehabilitation of  
38 buildings or other improvements; (b) acquisition of real property and  
39 demolition or removal of buildings and improvements thereon where

1 necessary to eliminate unhealthful, insanitary or unsafe conditions,  
2 lessen density, reduce traffic hazards, eliminate obsolete or other  
3 uses detrimental to the public welfare, or otherwise to remove or  
4 prevent the spread of blight or deterioration, or to provide land for  
5 needed public facilities; (c) installation, construction or  
6 reconstruction of streets, utilities, parks, playgrounds, and other  
7 improvements necessary for carrying out in the area the ((urban))  
8 community renewal provisions of this chapter; and (d) the disposition  
9 of any property acquired in such ((urban)) community renewal area  
10 ((including sale, initial leasing, or retention by the municipality  
11 itself) at its fair value)) for uses in accordance with such ((urban))  
12 community renewal plan.

13 ~~((16) "Urban renewal area" means a blighted area which the local~~  
14 ~~governing body designates as appropriate for an urban renewal project~~  
15 ~~or projects.~~

16 ~~(17) "Urban renewal plan" means a plan, as it exists from time to~~  
17 ~~time, for an urban renewal project, which plan (a) shall conform to the~~  
18 ~~comprehensive plan or parts thereof for the municipality as a whole;~~  
19 ~~and (b) shall be sufficiently complete to indicate such land~~  
20 ~~acquisition, demolition, and removal of structures, redevelopment,~~  
21 ~~improvements, and rehabilitation as may be proposed to be carried out~~  
22 ~~in the urban renewal area, zoning and planning changes, if any, land~~  
23 ~~uses, maximum densities, building requirements, and the plan's~~  
24 ~~relationship to definite local objectives respecting appropriate land~~  
25 ~~uses, improved traffic, public transportation, public utilities,~~  
26 ~~recreational and community facilities, and other public improvements.~~

27 ~~(18) "Urban renewal project" may include undertakings or activities~~  
28 ~~of a municipality in an urban renewal area for the elimination and for~~  
29 ~~the prevention of the development or spread of blight, and may involve~~  
30 ~~redevelopment in an urban renewal area, or rehabilitation in an urban~~  
31 ~~renewal area, or any combination or part thereof in accordance with an~~  
32 ~~urban renewal plan.))~~

33 **Sec. 2.** RCW 35.81.020 and 1965 c 7 s 35.81.020 are each amended to  
34 read as follows:

35 It is hereby found and declared that blighted areas which  
36 constitute a serious and growing menace, injurious to the public  
37 health, safety, morals and welfare of the residents of the state exist  
38 in municipalities of the state; that the existence of such areas

1 contributes substantially and increasingly to the spread of disease and  
2 crime and depreciation of property values, constitutes an economic and  
3 social liability, substantially impairs or arrests the sound growth of  
4 municipalities, retards the provision of housing accommodations,  
5 hinders job creation and economic growth, aggravates traffic problems  
6 and substantially impairs or arrests the elimination of traffic hazards  
7 and the improvement of traffic facilities; and that the prevention and  
8 elimination of such areas is a matter of state policy and state concern  
9 in order that the state and its municipalities shall not continue to be  
10 endangered by areas which are focal centers of disease, promote  
11 juvenile delinquency, are conducive to fires, are difficult to police  
12 and to provide police protection for, and, while contributing little to  
13 the tax income of the state and its municipalities, consume an  
14 excessive proportion of its revenues because of the extra services  
15 required for police, fire, accident, hospitalization and other forms of  
16 public protection, services, and facilities.

17 It is further found and declared that certain of such areas, or  
18 portions thereof, may require acquisition, clearance, and disposition  
19 subject to use restrictions, as provided in this chapter, since the  
20 prevailing condition of decay may make impracticable the reclamation of  
21 the area by rehabilitation; that other areas or portions thereof may,  
22 through the means provided in this chapter, be susceptible of  
23 rehabilitation in such a manner that the conditions and evils  
24 hereinbefore enumerated may be eliminated, remedied or prevented; and  
25 that to the extent feasible salvable blighted areas should be  
26 rehabilitated through voluntary action and the regulatory process.

27 It is further found and declared that there is an urgent need to  
28 enhance the ability of municipalities to act effectively and  
29 expeditiously to revive blighted areas and to prevent further blight  
30 due to shocks to the economy of the state and their actual and  
31 threatened effects on unemployment, poverty, and the availability of  
32 private capital for businesses and projects in the area.

33 It is further found and declared that the powers conferred by this  
34 chapter are for public uses and purposes for which public money may be  
35 expended and the power of eminent domain exercised; and that the  
36 necessity in the public interest for the provisions herein enacted is  
37 hereby declared as a matter of legislative determination.

1       **Sec. 3.** RCW 35.81.030 and 1965 c 7 s 35.81.030 are each amended to  
2 read as follows:

3       A municipality, to the greatest extent it determines to be feasible  
4 in carrying out the provisions of this chapter, shall afford maximum  
5 opportunity, consistent with the ((~~sound~~)) needs of the municipality as  
6 a whole, to the rehabilitation or redevelopment of the ((~~urban~~))  
7 community renewal area by private enterprise. A municipality shall  
8 give consideration to this objective in exercising its powers under  
9 this chapter, including the formulation of a workable program, the  
10 approval of ((~~urban~~)) community renewal plans (consistent with the  
11 comprehensive plan or parts thereof for the municipality), the exercise  
12 of its zoning powers, the enforcement of other laws, codes and  
13 regulations relating to the use of land and the use and occupancy of  
14 buildings and improvements, the disposition of any property acquired,  
15 and the provision of necessary public improvements.

16       **Sec. 4.** RCW 35.81.040 and 1965 c 7 s 35.81.040 are each amended to  
17 read as follows:

18       A municipality for the purposes of this chapter may formulate a  
19 workable program for ((~~utilizing~~)) using appropriate private and public  
20 resources to eliminate, and prevent the development or spread of,  
21 blighted areas, to encourage needed ((~~urban~~)) community rehabilitation,  
22 to provide for the redevelopment of such areas, or to undertake ((~~such~~  
23 ~~of~~)) the ((~~aforsaid~~)) activities, or other feasible municipal  
24 activities as may be suitably employed to achieve the objectives of  
25 ((~~such~~)) the workable program. ((~~Such~~)) The workable program may  
26 include, without limitation, provision for: The prevention of the  
27 spread of blight into areas of the municipality which are free from  
28 blight through diligent enforcement of housing, zoning, and occupancy  
29 controls and standards; the rehabilitation of blighted areas or  
30 portions thereof by replanning, removing congestion, providing parks,  
31 playgrounds and other public improvements, by encouraging voluntary  
32 rehabilitation and by compelling the repair and rehabilitation of  
33 deteriorated or deteriorating structures; ((~~and~~)) the replacement of  
34 housing that is lost as a result of community renewal activities within  
35 a community renewal area; the clearance and redevelopment of blighted  
36 areas or portions thereof; and the reduction of unemployment and  
37 poverty within the community renewal area by providing financial or  
38 technical assistance to a person or public body that is used to create

1 or retain jobs, a substantial portion of which, as determined by the  
2 municipality, shall be for persons of low income.

3 **Sec. 5.** RCW 35.81.050 and 1965 c 7 s 35.81.050 are each amended to  
4 read as follows:

5 (1) No municipality shall exercise any of the powers hereafter  
6 conferred upon municipalities by this chapter until after its local  
7 governing body shall have adopted ((a)) an ordinance or resolution  
8 finding that: ((+1)) (a) One or more blighted areas exist in such  
9 municipality; and ((+2)) (b) the rehabilitation, redevelopment, or a  
10 combination thereof, of such area or areas is necessary in the interest  
11 of the public health, safety, morals, or welfare of the residents of  
12 such municipality.

13 (2) After adoption of the ordinance or resolution making the  
14 findings described in subsection (1) of this section, the local  
15 governing body of the municipality may elect to have the powers of a  
16 community renewal agency under this chapter exercised in one of the  
17 following ways:

18 (a) By appointing a board or commission composed of not less than  
19 five members, which board or commission shall include municipal  
20 officials and elected officials, selected by the mayor, with approval  
21 of the local governing body of the municipality; or

22 (b) By the local governing body of the municipality directly; or

23 (c) By the board of a public corporation, commission, or authority  
24 under chapter 35.21 RCW, or a public facilities district created under  
25 chapter 35.57 or 36.100 RCW, or a public port district created under  
26 chapter 53.04 RCW, or a housing authority created under chapter 35.82  
27 RCW, that is authorized to conduct activities as a community renewal  
28 agency under this chapter.

29 **Sec. 6.** RCW 35.81.060 and 1965 c 7 s 35.81.060 are each amended to  
30 read as follows:

31 (1) A municipality shall not approve ((an urban)) a community  
32 renewal project for ((an urban)) a community renewal area unless the  
33 local governing body has, by ordinance or resolution, determined such  
34 an area to be a blighted area and designated ((such)) the area as  
35 appropriate for ((an urban)) a community renewal project. The local  
36 governing body shall not approve ((an urban)) a community renewal plan  
37 until a comprehensive plan or parts of ((such)) the plan for an area



1 which would include ~~((an urban))~~ a community renewal area for the  
2 municipality have been prepared as provided in chapter ~~((35.63 RCW.~~  
3 ~~For this purpose and other municipal purposes, authority is hereby~~  
4 ~~vested in every municipality to prepare, to adopt, and to revise from~~  
5 ~~time to time, a comprehensive plan or parts thereof for the physical~~  
6 ~~development of the municipality as a whole (giving due regard to the~~  
7 ~~environs and metropolitan surroundings), to establish and maintain a~~  
8 ~~planning commission for such purpose and related municipal planning~~  
9 ~~activities, and to make available and to appropriate necessary funds~~  
10 ~~therefor))~~ 36.70A RCW. For municipalities not subject to the planning  
11 requirements of chapter 36.70A RCW, any proposed comprehensive plan  
12 must be consistent with a local comprehensive plan adopted under  
13 chapter 35.63 or 36.70 RCW, or any other applicable law. A  
14 municipality shall not acquire real property for ~~((an urban))~~ a  
15 community renewal project unless the local governing body has approved  
16 the ~~((urban))~~ community renewal project plan in accordance with  
17 subsection (4) ~~((hereof))~~ of this section.

18 (2) The municipality may itself prepare or cause to be prepared  
19 ~~((an urban))~~ a community renewal plan, or any person or agency, public  
20 or private, may submit such a plan to the municipality. Prior to its  
21 approval of ~~((an urban))~~ a community renewal project, the local  
22 governing body shall ~~((submit such plan to the planning commission of~~  
23 ~~the municipality for review and recommendations as to its conformity))~~  
24 review and determine the conformity of the community renewal plan with  
25 the comprehensive plan or parts thereof for the development of the  
26 municipality as a whole. ((The planning commission shall submit its  
27 written recommendations with respect to the proposed urban renewal plan  
28 to the local governing body within sixty days after receipt of it.  
29 Upon receipt of the recommendations of the planning commission, or if  
30 no recommendations are received within sixty days, then without such  
31 recommendations, the local governing body may proceed with the hearing  
32 on the proposed urban renewal project plan prescribed by subsection (3)  
33 hereof)) If the community renewal plan is not consistent with the  
34 existing comprehensive plan, the local governing body may amend its  
35 comprehensive plan or community renewal plan.

36 (3) Prior to adoption, the local governing body shall hold a public  
37 hearing on ((an urban)) a community renewal plan after providing public  
38 notice ((thereof)). ((Such)) The notice shall be given by publication  
39 once each week for two consecutive weeks not less than ten nor more

1 than thirty days prior to the date of the hearing in a newspaper having  
2 a general circulation in the ((urban)) community renewal area of the  
3 municipality and by mailing a notice of ((such)) the hearing not less  
4 than ten days prior to the date of the hearing to the persons whose  
5 names appear on the county treasurer's tax roll as the owner or reputed  
6 owner of the property, at the address shown on the tax roll. The  
7 notice shall describe the time, date, place, and purpose of the  
8 hearing, shall generally identify the ((urban)) community renewal area  
9 affected, and shall outline the general scope of the ((urban))  
10 community renewal plan under consideration.

11 (4) Following ((such)) the hearing, the local governing body may  
12 approve ((an urban)) a community renewal project if it finds that (a)  
13 a ((workable and)) feasible plan exists for making available adequate  
14 housing for the ((persons)) residents who may be displaced by the  
15 project; (b) the ((urban)) community renewal plan conforms to the  
16 comprehensive plan ((or parts thereof)) for the municipality ((as a  
17 whole)); (c) the ((urban)) community renewal plan will afford maximum  
18 opportunity, consistent with the ((sound)) needs of the municipality  
19 ((as a whole)), for the rehabilitation or redevelopment of the  
20 ((urban)) community renewal area by private enterprise; ((and)) (d) a  
21 sound and adequate financial program exists for the financing of  
22 ((said)) the project; and (e) the ((urban)) community renewal project  
23 area is a blighted area as defined in RCW 35.81.010(2) (as recodified  
24 by this act).

25 (5) ((An urban)) A community renewal project plan may be modified  
26 at any time by the local governing body((: PROVIDED, That)). However,  
27 if modified after the lease or sale by the municipality of real  
28 property in the ((urban)) community renewal project area, ((such)) the  
29 modification shall be subject to ((such)) the rights at law or in  
30 equity as a lessee or purchaser, or ((his)) the successor or successors  
31 in interest may be entitled to assert.

32 (6) ((Upon the approval of an urban renewal project by a  
33 municipality, the provisions of the urban renewal plan with respect to  
34 the future use and building requirements applicable to the property  
35 covered by said plan shall be controlling with respect thereto)) Unless  
36 otherwise expressly stated in an ordinance or resolution of the  
37 governing body of the municipality, a community renewal plan shall not  
38 be considered a subarea plan or part of a comprehensive plan for  
39 purposes of chapter 36.70A RCW. However, a municipality that has

1 adopted a comprehensive plan under chapter 36.70A RCW may adopt all or  
2 part of a community renewal plan at any time as a new or amended  
3 subarea plan, whether or not any subarea plan has previously been  
4 adopted for all or part of the community renewal area. Any community  
5 renewal plan so adopted, unless otherwise determined by the growth  
6 management hearings board with jurisdiction under a timely appeal in  
7 RCW 36.70A.280, shall be conclusively presumed to comply with the  
8 requirements in this chapter for consistency with the comprehensive  
9 plan.

10 **Sec. 7.** RCW 35.81.070 and 1965 c 7 s 35.81.070 are each amended to  
11 read as follows:

12 Every municipality shall have all the powers necessary or  
13 convenient to carry out and effectuate the purposes and provisions of  
14 this chapter, including the following powers in addition to others  
15 (~~herein~~) granted under this chapter:

16 (1) To undertake and carry out (~~urban~~) community renewal projects  
17 within the municipality, to make and execute contracts and other  
18 instruments necessary or convenient to the exercise of its powers under  
19 this chapter, and to disseminate blight clearance and (~~urban~~)  
20 community renewal information.

21 (2) To provide or to arrange or contract for the furnishing or  
22 repair by any person or agency, public or private, of services,  
23 privileges, works, streets, roads, public utilities or other facilities  
24 for, or in connection with, (~~an urban~~) a community renewal project;  
25 to install, construct, and reconstruct streets, utilities, parks,  
26 playgrounds, and other public improvements; and to agree to any  
27 conditions that it may deem reasonable and appropriate attached to  
28 federal financial assistance and imposed pursuant to federal law  
29 relating to the determination of prevailing salaries or wages or  
30 compliance with labor standards, in the undertaking or carrying out of  
31 (~~an urban~~) a community renewal project, and to include in any  
32 contract let in connection with such a project, provisions to fulfill  
33 such of said conditions as it may deem reasonable and appropriate.

34 (3) To provide financial or technical assistance, using available  
35 public or private funds, to a person or public body for the purpose of  
36 creating or retaining jobs, a substantial portion of which, as  
37 determined by the municipality, shall be for persons of low income.

1       (4) To make payments, loans, or grants to, provide assistance to,  
2 and contract with existing or new owners and tenants of property in the  
3 community renewal areas as compensation for any adverse impacts, such  
4 as relocation or interruption of business, that may be caused by the  
5 implementation of a community renewal project, and/or consideration for  
6 commitments to develop, expand, or retain land uses that contribute to  
7 the success of the project or plan, including without limitation  
8 businesses that will create or retain jobs, a substantial portion of  
9 which, as determined by the municipality, shall be for persons of low  
10 income.

11       (5) To contract with a person or public body to provide financial  
12 assistance, authorized under this section, to property owners and  
13 tenants impacted by the implementation of the community renewal plan  
14 and to provide incentives to property owners and tenants to encourage  
15 them to locate in the community renewal area after adoption of the  
16 community renewal plan.

17       (6) Within the municipality, to enter upon any building or property  
18 in any ((urban)) community renewal area, in order to make surveys and  
19 appraisals, provided that such entries shall be made in such a manner  
20 as to cause the least possible inconvenience to the persons in  
21 possession, and to obtain an order for this purpose from a court of  
22 competent jurisdiction in the event entry is denied or resisted; to  
23 acquire by purchase, lease, option, gift, grant, bequest, devise,  
24 eminent domain, or otherwise, any real property and such personal  
25 property as may be necessary for the administration of the provisions  
26 herein contained, together with any improvements thereon; to hold,  
27 improve, clear, or prepare for redevelopment any such property; to  
28 dispose of any real property; to insure or provide for the insurance of  
29 any real or personal property or operations of the municipality against  
30 any risks or hazards, including the power to pay premiums on any such  
31 insurance: PROVIDED, That no statutory provision with respect to the  
32 acquisition, clearance, or disposition of property by public bodies  
33 shall restrict a municipality in the exercise of such functions with  
34 respect to ((an urban)) a community renewal project.

35       ((+4)) (7) To invest any ((urban)) community renewal project funds  
36 held in reserves or sinking funds or any such funds which are not  
37 required for immediate disbursement, in property or securities in which  
38 mutual savings banks may legally invest funds subject to their control;  
39 to redeem such bonds as have been issued pursuant to RCW 35.81.100 at

1 the redemption price established therein or to purchase such bonds at  
2 less than redemption price, all such bonds so redeemed or purchased to  
3 be canceled.

4 ~~((+5+))~~ (8) To borrow money and to apply for, and accept, advances,  
5 loans, grants, contributions and any other form of financial assistance  
6 from the federal government, the state, county, or other public body,  
7 or from any sources, public or private, for the purposes of this  
8 chapter, and to enter into and carry out contracts in connection  
9 therewith. A municipality may include in any application or contract  
10 for financial assistance with the federal government for ~~((an urban))~~  
11 a community renewal project such conditions imposed pursuant to federal  
12 laws as the municipality may deem reasonable and appropriate and which  
13 are not inconsistent with the purposes of this chapter.

14 ~~((+6+))~~ (9) Within the municipality, to make or have made all plans  
15 necessary to the carrying out of the purposes of this chapter and to  
16 contract with any person, public or private, in making and carrying out  
17 such plans and to adopt or approve, modify, and amend such plans. Such  
18 plans may include, without limitation: (a) A comprehensive plan or  
19 parts thereof for the locality as a whole, (b) ~~((urban))~~ community  
20 renewal plans, (c) plans for carrying out a program of voluntary or  
21 compulsory repair and rehabilitation of buildings and improvements, (d)  
22 plans for the enforcement of state and local laws, codes, and  
23 regulations relating to the use of land and the use and occupancy of  
24 buildings and improvements and to the compulsory repair,  
25 rehabilitation, demolition, or removal of buildings and improvements,  
26 ~~((and))~~ (e) appraisals, title searches, surveys, studies, and other  
27 preliminary plans and work necessary to prepare for the undertaking of  
28 ~~((urban))~~ community renewal projects, and (f) plans to provide  
29 financial or technical assistance to a person or public body for the  
30 purpose of creating or retaining jobs, a substantial portion of which,  
31 as determined by the municipality, shall be for persons of low income.  
32 The municipality is authorized to develop, test, and report methods and  
33 techniques, and carry out demonstrations and other activities, for the  
34 prevention and the elimination of ~~((urban))~~ blight, for job creation or  
35 retention activities, and to apply for, accept, and utilize grants of,  
36 funds from the federal government for such purposes.

37 ~~((+7+))~~ (10) To prepare plans for the relocation of families  
38 displaced from ~~((an urban))~~ a community renewal area, and to coordinate  
39 public and private agencies in such relocation, including requesting

1 such assistance for this purpose as is available from other private and  
2 governmental agencies, both for the municipality and other parties.

3 ~~((+8))~~ (11) To appropriate such funds and make such expenditures  
4 as may be necessary to carry out the purposes of this chapter, and in  
5 accordance with state law: (a) Levy taxes and assessments for such  
6 purposes; (b) acquire land either by negotiation ~~((and/or))~~ or eminent  
7 domain, or both; (c) close, vacate, plan, or replan streets, roads,  
8 sidewalks, ways, or other places; (d) plan or replan, zone or rezone  
9 any part of the municipality; (e) adopt annual budgets for the  
10 operation of ~~((an-urban))~~ a community renewal agency, department, or  
11 offices vested with ~~((urban))~~ community renewal project powers under  
12 RCW 35.81.150; and (f) enter into agreements with such agencies or  
13 departments (which agreements may extend over any period) respecting  
14 action to be taken by such municipality pursuant to any of the powers  
15 granted by this chapter.

16 ~~((+9))~~ (12) Within the municipality, to organize, coordinate, and  
17 direct the administration of the provisions of this chapter as they  
18 apply to such municipality in order that the objective of remedying  
19 blighted areas and preventing the causes thereof within such  
20 municipality may be most effectively promoted and achieved, and to  
21 establish such new office or offices of the municipality or to  
22 reorganize existing offices in order to carry out such purpose most  
23 effectively.

24 ~~((+10))~~ (13) To contract with a person or public body to assist in  
25 carrying out the purposes of this chapter.

26 (14) To exercise all or any part or combination of powers herein  
27 granted.

28 **Sec. 8.** RCW 35.81.080 and 1965 c 7 s 35.81.080 are each amended to  
29 read as follows:

30 A municipality shall have the right to acquire by condemnation, in  
31 accordance with the procedure provided for condemnation by such  
32 municipality for other purposes, any interest in real property, which  
33 it may deem necessary for ~~((an-urban))~~ a community renewal project  
34 under this chapter after the adoption by the local governing body of a  
35 resolution declaring that the acquisition of the real property  
36 described therein is necessary for such purpose. Condemnation for  
37 ~~((urban))~~ community renewal of blighted areas is declared to be a  
38 public use, and property already devoted to any other public use or

1 acquired by the owner or ((his)) a predecessor in interest by eminent  
2 domain may be condemned for the purposes of this chapter.

3 The award of compensation for real property taken for such a  
4 project shall not be increased by reason of any increase in the value  
5 of the real property caused by the assembly, clearance, or  
6 reconstruction, or proposed assembly, clearance, or reconstruction in  
7 the project area. No allowance shall be made for the improvements  
8 begun on real property after notice to the owner of such property of  
9 the institution of proceedings to condemn such property. Evidence  
10 shall be admissible bearing upon the insanitary, unsafe, or substandard  
11 condition of the premises, or the unlawful use thereof.

12 **Sec. 9.** RCW 35.81.090 and 1965 c 7 s 35.81.090 are each amended to  
13 read as follows:

14 (1) A municipality, with approval of its legislative authority, may  
15 acquire real property, or any interest therein, for the purposes of a  
16 community renewal project (a) prior to the selection of one or more  
17 persons interested in undertaking to redevelop or rehabilitate the real  
18 property, or (b) after the selection of one or more persons interested  
19 in undertaking to redevelop or rehabilitate such real property. In  
20 either case the municipality may select a redeveloper through a  
21 competitive bidding process consistent with this section or through a  
22 process consistent with section 10 of this act.

23 (2) A municipality, with approval of its legislative authority, may  
24 sell, lease, or otherwise transfer real property or any interest  
25 therein acquired by it for ((an urban)) a community renewal project, in  
26 ((an urban)) a community renewal area for residential, recreational,  
27 commercial, industrial, or other uses or for public use, and may enter  
28 into contracts with respect thereto, or may retain such a property or  
29 interest only for parks and recreation, education, public utilities,  
30 public transportation, public safety, health, highways, streets, and  
31 alleys, administrative buildings, or civic centers, in accordance with  
32 the ((urban)) community renewal project plan, subject to such  
33 covenants, conditions, and restrictions, including covenants running  
34 with the land, as it may deem to be necessary or desirable to assist in  
35 preventing the development or spread of blighted areas or otherwise to  
36 carry out the purposes of this chapter( (:—PROVIDED, That)). However,  
37 such a sale, lease, other transfer, or retention, and any agreement  
38 relating thereto, may be made only after the approval of the ((urban))

1 community renewal plan by the local governing body. The purchasers or  
2 lessees and their successors and assigns shall be obligated to devote  
3 ~~((such))~~ the real property only to the uses specified in the ((urban))  
4 community renewal plan, and may be obligated to comply with ~~((such))~~  
5 any other requirements as the municipality may determine to be in the  
6 public interest, including the obligation to begin and complete, within  
7 a reasonable time, any improvements on ~~((such))~~ the real property  
8 required by the ((urban)) community renewal plan or promised by the  
9 transferee. ~~((Such))~~ The real property or interest shall be sold,  
10 leased, or otherwise transferred~~((, or retained at not less than its~~  
11 ~~fair value for uses in accordance with the urban renewal plan))~~ for the  
12 consideration the municipality determines adequate. In determining the  
13 ~~((fair value of real property for uses in accordance with the urban~~  
14 ~~renewal plan))~~ adequacy of consideration, a municipality ~~((shall))~~ may  
15 take into account~~((, and give consideration to,))~~ the uses ~~((provided~~  
16 ~~in such))~~ permitted under the community renewal plan; the restrictions  
17 upon, and the covenants, conditions, and obligations assumed by, the  
18 ~~((purchaser or lessee or by the municipality retaining the property))~~  
19 transferee; and the public benefits to be realized, including  
20 furthering of the objectives of ((such)) the plan for the prevention of  
21 the recurrence of blighted areas.

22 (3) The municipality in any instrument of conveyance to a private  
23 purchaser or lessee may provide that ~~((such))~~ the purchaser or lessee  
24 shall be without power to sell, lease, or otherwise transfer the real  
25 property, or to permit changes in ownership or control of a purchaser  
26 or lessee that is not a natural person, in each case without the prior  
27 written consent of the municipality until ((he)) the purchaser or  
28 lessee has completed the construction of ((any and)) all improvements  
29 ~~((which he))~~ that it has obligated ((himself)) itself to construct  
30 thereon. The municipality may also retain the right, upon any earlier  
31 transfer or change in ownership or control without consent; or any  
32 failure or change in ownership or control without consent; or any  
33 failure to complete the improvements within the time agreed to  
34 terminate the transferee's interest in the property; or to retain or  
35 collect on any deposit or instrument provided as security, or both.  
36 The enforcement of these restrictions and remedies is declared to be  
37 consistent with the public policy of this state. Real property  
38 acquired by a municipality ((which)) that, in accordance with the  
39 provisions of the ((urban)) community renewal plan, is to be



1 transferred, shall be transferred as rapidly as feasible, in the public  
2 interest, consistent with the carrying out of the provisions of the  
3 ~~((urban))~~ community renewal plan. The inclusion in any ~~((such))~~  
4 contract or conveyance to a purchaser or lessee of any ~~((such))~~  
5 covenants, restrictions, or conditions (including the incorporation by  
6 reference therein of the provisions of ~~((an urban))~~ a community renewal  
7 plan or any part thereof) shall not prevent the recording of such a  
8 contract or conveyance in the land records of the auditor or the county  
9 in which ~~((such))~~ the city or town is located, in ~~((such))~~ a manner  
10 ~~((as to))~~ that affords actual or constructive notice thereof.

11 ~~((+2))~~ (4)(a)(i) A municipality may dispose of real property in  
12 ~~((an urban))~~ a community renewal area, acquired by the municipality  
13 under this chapter, to any private persons only under ~~((such))~~ those  
14 reasonable competitive bidding procedures as it shall prescribe, or by  
15 competitive bidding as ~~((hereinafter))~~ provided in this subsection,  
16 through direct negotiation where authorized under (c) of this  
17 subsection, or by a process authorized in section 10 of this act.

18 (ii) A competitive bidding process may occur (A) prior to the  
19 purchase of the real property by the municipality, or (B) after the  
20 purchase of the real property by the municipality.

21 (b)(i) A municipality may, by public notice by publication once  
22 each week for three consecutive weeks in a newspaper having a general  
23 circulation in the community, prior to the execution of any contract or  
24 deed to sell, lease, or otherwise transfer real property and prior to  
25 the delivery of any instrument of conveyance with respect thereto under  
26 the provisions of this section, invite bids from, and make available  
27 all pertinent information to, private redevelopers or any persons  
28 interested in undertaking to redevelop or rehabilitate ~~((an urban))~~ a  
29 community renewal area, or any part thereof. ~~((Such))~~ This notice  
30 shall identify the area, or portion thereof, and shall state that  
31 ~~((such))~~ further information as is available may be obtained at  
32 ~~((such))~~ the office as shall be designated in ~~((said))~~ the notice.

33 (ii) The municipality shall consider all responsive redevelopment  
34 or rehabilitation bids and the financial and legal ability of the  
35 persons making ~~((such))~~ the bids to carry them out. The municipality  
36 may accept ~~((such))~~ the bids as it deems to be in the public interest  
37 and in furtherance of the purposes of this chapter. Thereafter, the  
38 municipality may execute, in accordance with the provisions of

1 subsection ~~((1))~~ (2) of this section, and deliver contracts, deeds,  
2 leases, and other instruments of transfer.

3 ~~((3))~~ (c) If the legislative authority of the municipality  
4 determines that the sale of real property to a specific person is  
5 necessary to the success of a neighborhood revitalization or community  
6 renewal project for which the municipality is providing assistance to  
7 a nonprofit organization from federal community development block grant  
8 funds under 42 U.S.C. Sec. 5305(a)(15), or successor provision, under  
9 a plan or grant application approved by the United States department of  
10 housing and urban development, or successor agency, then the  
11 municipality may sell or lease that property to that person through  
12 direct negotiation, for consideration determined by the municipality to  
13 be adequate consistent with subsection (2) of this section. This  
14 direct negotiation may occur, and the municipality may enter into an  
15 agreement for sale or lease, either before or after the acquisition of  
16 the property by the municipality. Unless the municipality has provided  
17 notice to the public of the intent to sell or lease the property by  
18 direct negotiation, as part of a citizen participation process adopted  
19 under federal regulations for the plan or grant application under which  
20 the federal community development block grant funds have been awarded,  
21 the municipality shall publish notice of the sale at least fifteen days  
22 prior to the conveyance of the property.

23 (5) A municipality may operate and maintain real property acquired  
24 in ~~(an urban))~~ a community renewal area for a period of three years  
25 pending the disposition of the property for redevelopment, without  
26 regard to the provisions of subsection ~~((1) above)~~ (2) of this  
27 section, for such uses and purposes as may be deemed desirable even  
28 though not in conformity with the ~~(urban))~~ community renewal plan~~((÷~~  
29 PROVIDED, That)). However, the municipality may, after a public  
30 hearing, extend the time for a period not to exceed three years.

31 (6) Any covenants, restrictions, promises, undertakings, releases,  
32 or waivers in favor of a municipality contained in any deed or other  
33 instrument accepted by any transferee of property from the municipality  
34 or community renewal agency under this chapter, or contained in any  
35 document executed by any owner of property in a community renewal area,  
36 shall run with the land to the extent provided in the deed, instrument,  
37 or other document, so as to bind, and be enforceable by the  
38 municipality against, the person accepting or making the deed,

1 instrument, or other document and that person's heirs, successors in  
2 interest, or assigns having actual or constructive notice thereof.

3 NEW SECTION. Sec. 10. A new section is added to chapter 35.81 RCW  
4 to read as follows:

5 (1) The process authorized under this section may occur (a) prior  
6 to the purchase of the real property by the municipality, or (b) after  
7 the purchase of the real property by the municipality.

8 (2) A municipality may, by public notice once each week for three  
9 consecutive weeks in a legal newspaper in the municipality, or prior to  
10 the execution of any contract or deed to sell, lease, or otherwise  
11 transfer real property and prior to the delivery of any instrument of  
12 conveyance with respect thereto under the provisions of this section,  
13 invite statements of interest and qualifications and, at the  
14 municipality's option, proposals from any persons interested in  
15 undertaking to redevelop or rehabilitate the real property.

16 (3) The notice required under this section shall identify the area,  
17 or portion thereof, the process the municipality will use to evaluate  
18 qualifications and, if applicable, proposals submitted by redevelopers  
19 or any persons, and other information relevant to the community renewal  
20 project. The notice shall also state that further information, as is  
21 available, may be obtained at the offices designated in the notice.

22 (4)(a) Based on its evaluation of qualifications and, if  
23 applicable, proposals, the municipality may select a proposer with whom  
24 to negotiate or may select two or more finalists to submit proposals,  
25 or to submit more detailed or revised proposals. The municipality may,  
26 in its sole discretion, reject all responses or proposals, amend any  
27 solicitation to allow modification or supplementation of qualifications  
28 or proposals, or waive irregularities in the content or timing of any  
29 qualifications or proposals.

30 (b) The municipality may initiate negotiations with the person  
31 selected on the basis of qualifications or proposals. If the  
32 municipality does not enter into a contract with that person, it may  
33 (i) enter into negotiations with the person that submitted the next  
34 highest ranked qualifications or proposal, (ii) solicit additional  
35 proposals using a process permitted by RCW 35.81.090, or (iii)  
36 otherwise dispose of or retain the real property consistent with the  
37 provisions of this chapter. A municipality shall not be required to  
38 select or enter into a contract with any proposer or to compensate any

1 proposer for the cost of preparing a proposal or negotiating with the  
2 municipality.

3 (c) A municipality, with approval of its legislative authority, may  
4 select and enter into a contract with more than one proposer to carry  
5 out different aspects or parts of a community renewal plan.

6 **Sec. 11.** RCW 35.81.100 and 1983 c 167 s 64 are each amended to  
7 read as follows:

8 (1) A municipality shall have the power to issue bonds from time to  
9 time in its discretion to finance the undertaking of any ((urban))  
10 community renewal project under this chapter, including, without  
11 limiting the generality ((thereof)) of this power, the payment of  
12 principal and interest upon any advances for surveys and plans for  
13 ((urban)) community renewal projects, and shall also have power to  
14 issue refunding bonds for the payment or retirement of such bonds  
15 previously issued by it. Such bonds shall not pledge the general  
16 credit of the municipality and shall be made payable, as to both  
17 principal and interest, solely from the income, proceeds, revenues, and  
18 funds of the municipality derived from, or held in connection with, its  
19 undertaking and carrying out of ((urban)) community renewal projects  
20 under this chapter(~~(:—PROVIDED, That)~~). However, the payment of such  
21 bonds, both as to principal and interest, may be further secured by a  
22 pledge of any loan, grant, or contribution from the municipality, the  
23 federal government, or from other sources, in aid of any ((urban))  
24 community renewal projects of the municipality under this chapter.

25 (2) Bonds issued under this section shall not constitute an  
26 indebtedness within the meaning of any constitutional or statutory debt  
27 limitation or restriction, and shall not be subject to the provisions  
28 of any other law or charter relating to the authorization, issuance, or  
29 sale of bonds. Bonds issued under the provisions of this chapter are  
30 declared to be issued for an essential public and governmental purpose,  
31 and together with interest thereon and income therefrom, shall be  
32 exempted from all taxes.

33 (3) Bonds issued under this section shall be authorized by  
34 resolution or ordinance of the local governing body and may be issued  
35 in one or more series and shall bear such date or dates, be payable  
36 upon demand or mature at such time or times, bear interest at such rate  
37 or rates, be in such denomination or denominations, be in such form  
38 either coupon or registered as provided in RCW 39.46.030, carry such

1 conversion or registration privileges, have such rank or priority, be  
2 executed in such manner, be payable in such medium of payment, at such  
3 place or places, and be subject to such terms of redemption (with or  
4 without premium), be secured in such manner, and have such other  
5 characteristics, as may be provided by such resolution or trust  
6 indenture or mortgage issued pursuant thereto.

7 (4) Such bonds may be sold at not less than ninety-eight percent of  
8 par at public or private sale, or may be exchanged for other bonds on  
9 the basis of par: PROVIDED, That such bonds may be sold to the federal  
10 government at private sale at not less than par and, in the event less  
11 than all of the authorized principal amount of such bonds is sold to  
12 the federal government, the balance may be sold at public or private  
13 sale at not less than ninety-eight percent of par at an interest cost  
14 to the municipality of not to exceed the interest cost to the  
15 municipality of the portion of the bonds sold to the federal  
16 government.

17 (5)(a) The municipality may annually pay into a fund to be  
18 established for the benefit of such bonds any and all excess of the  
19 taxes received by it from the same property over and above the average  
20 of the annual taxes authorized without vote for a five-year period  
21 immediately preceding the acquisition of the property by the  
22 municipality for renewal purposes, such payment to continue until such  
23 time as all bonds payable from the fund are paid in full. Any other  
24 taxing unit (~~((in a municipality))~~) that receives property tax revenues  
25 from property in the community renewal area is authorized to allocate  
26 ((a like amount of such)) excess taxes, computed in the same manner, to  
27 the municipality or municipalities in which it is situated.

28 (b) In addition to the excess property tax revenues from property  
29 in the community renewal area, authorized in this subsection, the  
30 municipality may annually pay into the fund, established in this  
31 subsection, any and all excess of the excise tax received by it from  
32 business activity in the community renewal area over and above the  
33 average of the annual excise tax collected for a five-year period  
34 immediately preceding the establishment of a community renewal area.  
35 The payment may continue until all the bonds payable from the fund are  
36 paid in full. Any other taxing unit that receives excise tax from  
37 business activity in the community renewal area is authorized to  
38 allocate excess excise tax, computed in the same manner, to the  
39 municipality or municipalities in which it is situated. As used in

1 this subsection, "excise tax" means a local retail sales and use tax  
2 authorized in chapter 82.14 RCW. The legislature declares that it is  
3 a proper purpose of a municipality to allocate an excise tax for  
4 purposes of a community renewal project under this chapter.

5 (6) In case any of the public officials of the municipality whose  
6 signatures appear on any bonds or any coupons issued under this chapter  
7 shall cease to be such officials before the delivery of such bonds,  
8 such signatures shall, nevertheless, be valid and sufficient for all  
9 purposes, the same as if such officials had remained in office until  
10 such delivery. Any provision of any law to the contrary  
11 notwithstanding, any bonds, issued pursuant to this chapter shall be  
12 fully negotiable.

13 (7) In any suit, action, or proceeding involving the validity or  
14 enforceability of any bond issued under this chapter or the security  
15 therefor, any such bond reciting in substance that it has been issued  
16 by the municipality in connection with ~~((an urban))~~ a community renewal  
17 project, as herein defined, shall be conclusively deemed to have been  
18 issued for such purpose and such project shall be conclusively deemed  
19 to have been planned, located, and carried out in accordance with the  
20 provisions of this chapter.

21 (8) Notwithstanding subsections (1) through (7) of this section,  
22 such bonds may be issued and sold in accordance with chapter 39.46 RCW.

23 **Sec. 12.** RCW 35.81.110 and 1965 c 7 s 35.81.110 are each amended  
24 to read as follows:

25 All banks, trust companies, bankers, savings banks and  
26 institutions, building and loan associations, savings and loan  
27 associations, investment companies, and other persons carrying on a  
28 banking or investment business, all insurance companies, insurance  
29 associations, and other persons carrying on an insurance business and  
30 all executors, administrators, curators, trustees, and other  
31 fiduciaries, may legally invest any sinking funds, moneys, or other  
32 funds belonging to them or within their control in any bonds or other  
33 obligations issued by a municipality ~~((pursuant to))~~ under this  
34 chapter ~~((: PROVIDED, That such bonds and other obligations shall be~~  
35 ~~secured by an agreement between the issuer and the federal government~~  
36 ~~in which the issuer agrees to borrow from the federal government and~~  
37 ~~the federal government agrees to lend to the issuer, prior to the~~  
38 ~~maturity of such bonds or other obligations, moneys in an amount which~~

1 ~~(together with any other moneys irrevocably committed to the payment of~~  
2 ~~interest on such bonds or other obligations) will suffice to pay the~~  
3 ~~principal of such bonds or other obligations with interest to maturity~~  
4 ~~thereon, which moneys under the terms of said agreement are required to~~  
5 ~~be used for the purpose of paying the principal of, and the interest~~  
6 ~~on, such bonds or other obligations at their maturity)).~~ Such bonds  
7 and other obligations shall be authorized security for all public  
8 deposits. It is the purpose of this section to authorize any persons,  
9 political subdivisions, and officers, public or private, to use any  
10 funds owned or controlled by them for the purchase of any such bonds or  
11 other obligations. Nothing contained in this section with regard to  
12 legal investments shall be construed as relieving any person of any  
13 duty of exercising reasonable care in selecting securities.

14 NEW SECTION. Sec. 13. A new section is added to chapter 35.81 RCW  
15 to read as follows:

16 (1) A community renewal agency may establish local improvement  
17 districts within the community renewal area, and levy special  
18 assessments, in annual installments extending over a period not  
19 exceeding twenty years on all property specially benefited by the local  
20 improvement, on the basis of special benefits, to pay in whole or in  
21 part the damages or costs of the local improvement, and issue local  
22 improvement bonds to be paid from local improvement assessments. The  
23 formation of the local improvement districts, the determination, levy,  
24 and collection of such assessments, and the issuance of such bonds  
25 shall be as provided for the formation of local improvement districts,  
26 the determination, levy, and collection of local improvement  
27 assessments, and the issuance of local improvement bonds by cities and  
28 towns, insofar as consistent with this chapter. These bonds may be in  
29 any form, including bearer bonds or registered bonds as provided in RCW  
30 39.46.030.

31 (2) Notwithstanding subsection (1) of this section, the bonds  
32 authorized under subsection (1) of this section may be issued and sold  
33 in accordance with chapter 39.46 RCW.

34 NEW SECTION. Sec. 14. A new section is added to chapter 35.81 RCW  
35 to read as follows:

36 Any notice given to the public or to the owners of specific lots,  
37 tracts, or parcels of land relating to the formation of a local

1 improvement district created under section 13 of this act shall contain  
2 a statement that actual assessments may vary from assessment estimates  
3 so long as they do not exceed a figure equal to the increased benefit  
4 the improvement adds to the property.

5 **Sec. 15.** RCW 35.81.120 and 1965 c 7 s 35.81.120 are each amended  
6 to read as follows:

7 (1) All property of a municipality, including funds, owned or held  
8 by it for the purposes of this chapter, shall be exempt from levy and  
9 sale by virtue of an execution, and no execution or other judicial  
10 process shall issue against the same nor shall judgment against a  
11 municipality be a charge or lien upon such property: PROVIDED, That  
12 the provisions of this section shall not apply to, or limit the right  
13 of, obligees to pursue any remedies for the enforcement of any pledge  
14 or lien given pursuant to this chapter by a municipality on its rents,  
15 fees, grants, or revenues from ~~((urban))~~ community renewal projects.

16 (2) The property of a municipality, acquired or held for the  
17 purposes of this chapter, is declared to be public property used for  
18 essential public and governmental purposes and such property shall be  
19 exempt from all taxes of the municipality, the county, the state, or  
20 any political subdivision thereof: PROVIDED, That such tax exemption  
21 shall terminate when the municipality sells, leases, or otherwise  
22 disposes of such property in ~~((an urban))~~ a community renewal area to  
23 a purchaser or lessee ~~((which))~~ that is not a public body or other  
24 organization normally entitled to tax exemption with respect to such  
25 property.

26 **Sec. 16.** RCW 35.81.130 and 1965 c 7 s 35.81.130 are each amended  
27 to read as follows:

28 ~~((1))~~ For the purpose of aiding in the planning, undertaking, or  
29 carrying out of ~~((an urban))~~ a community renewal project located within  
30 the area in which it is authorized to act, any public body authorized  
31 by law or by this chapter, may, upon such terms, with or without  
32 consideration, as it may determine: ~~((a))~~ (1) Dedicate, sell,  
33 convey, or lease any of its interest in any property, or grant  
34 easements, licenses, or other rights or privileges therein to a  
35 municipality or other public body; ~~((b))~~ (2) incur the entire expense  
36 of any public improvements made by ~~((such))~~ a public body, in  
37 exercising the powers granted in this section; ~~((c))~~ (3) do any and



1 all things necessary to aid or cooperate in the planning or carrying  
2 out of ~~((an urban))~~ a community renewal plan; ~~((d))~~ (4) lend, grant,  
3 or contribute funds, including without limitation any funds derived  
4 from bonds issued or other borrowings authorized in this chapter, to a  
5 municipality or other public body and, subject only to any applicable  
6 constitutional limits, to any other person; ~~((e))~~ (5) enter into  
7 agreements (which may extend over any period, notwithstanding any  
8 provision or rule of law to the contrary) with a municipality or other  
9 public body respecting action to be taken pursuant to any of the powers  
10 granted by this chapter, including the furnishing of funds or other  
11 assistance in connection with ~~((an urban))~~ a community renewal  
12 project~~((, and (f)))~~; (6) cause public building and public facilities,  
13 including parks, playgrounds, recreational, community, educational,  
14 water, sewer, or drainage facilities, or any other works ~~((which))~~ that  
15 it is otherwise empowered to undertake to be furnished; furnish,  
16 dedicate, close, vacate, pave, install, grade, regrade, plan, or replan  
17 streets, roads, sidewalks, ways, or other places; (7) abate  
18 environmental problems; (8) plan or replan, zone or rezone any part of  
19 the ~~((urban))~~ community renewal area; and (9) provide such  
20 administrative and other services as may be deemed requisite to the  
21 efficient exercise of the powers herein granted.

22 ~~((2) Any sale, conveyance, lease, or agreement provided for in~~  
23 ~~this section shall be made by a public body with appraisal, public~~  
24 ~~notice, advertisement, or public bidding in accordance with the~~  
25 ~~provisions of RCW 35.81.090(2).))~~

26 **Sec. 17.** RCW 35.81.150 and 1965 c 7 s 35.81.150 are each amended  
27 to read as follows:

28 (1) A municipality may itself exercise its ~~((urban))~~ community  
29 renewal project powers ~~((as herein defined))~~ or may, if the local  
30 governing body by ordinance or resolution determines such action to be  
31 in the public interest, elect to have such powers exercised by the  
32 ~~((urban))~~ community renewal agency ~~((created by RCW 35.81.160))~~ or a  
33 department or other officers of the municipality or by any ~~((existing))~~  
34 other public body ~~((corporate, as they are authorized to exercise under~~  
35 ~~this chapter))~~.

36 (2) In the event the local governing body ~~((makes such~~  
37 ~~determination))~~ determines to have the powers exercised by the  
38 community renewal agency, such body may authorize the ~~((urban))~~

1 community renewal agency or department or other officers of the  
2 municipality to exercise any of the following (~~urban~~) community  
3 renewal project powers:

4 (a) To formulate and coordinate a workable program as specified in  
5 RCW 35.81.040.

6 (b) To prepare (~~urban~~) community renewal plans.

7 (c) To prepare recommended modifications to (~~an urban~~) a  
8 community renewal project plan.

9 (d) To undertake and carry out (~~urban~~) community renewal projects  
10 as required by the local governing body.

11 (e) To acquire, own, lease, encumber, and sell real or personal  
12 property. The agency may not acquire real or personal property using  
13 the eminent domain process, unless authorized independently of this  
14 chapter.

15 (f) To create local improvement districts under sections 13 and 14  
16 of this act.

17 (g) To issue bonds from time to time in its discretion to finance  
18 the undertaking of any community renewal project under this chapter.  
19 The bonds issued under this section must meet the requirements of RCW  
20 35.81.100.

21 (h) To make and execute contracts as specified in RCW 35.81.070,  
22 with the exception of contracts for the purchase or sale of real or  
23 personal property.

24 (~~f~~) (i) To disseminate blight clearance and (~~urban~~) community  
25 renewal information.

26 (~~g~~) (j) To exercise the powers prescribed by RCW 35.81.070(2),  
27 except the power to agree to conditions for federal financial  
28 assistance and imposed pursuant to federal law relating to salaries and  
29 wages, shall be reserved to the local governing body.

30 (~~h~~) (k) To enter any building or property, in any (~~urban~~)  
31 community renewal area, in order to make surveys and appraisals in the  
32 manner specified in RCW 35.81.070(~~3~~) (6).

33 (~~i~~) (l) To improve, clear, or prepare for redevelopment any  
34 real or personal property in (~~an urban~~) a community renewal area.

35 (~~j~~) (m) To insure real or personal property as provided in RCW  
36 35.81.070(~~3~~) (6).

37 (~~k~~) (n) To effectuate the plans provided for in RCW  
38 35.81.070(~~6~~) (9).

1       (~~(l)~~) (o) To prepare plans for the relocation of families  
2 displaced from (~~(an urban)~~) a community renewal area and to coordinate  
3 public and private agencies in such relocation.

4       (~~(m)~~) (p) To prepare plans for carrying out a program of  
5 voluntary or compulsory repair and rehabilitation of buildings and  
6 improvements.

7       (~~(n)~~) (q) To conduct appraisals, title searches, surveys,  
8 studies, and other preliminary plans and work necessary to prepare for  
9 the undertaking of (~~(urban)~~) community renewal projects.

10       (~~(o)~~) (r) To negotiate for the acquisition of land.

11       (~~(p)~~) (s) To study the closing, vacating, planning, or replanning  
12 of streets, roads, sidewalks, ways, or other places and to make  
13 recommendations with respect thereto.

14       (~~(q)~~) (t) To provide financial and technical assistance to a  
15 person or public body, for the purpose of creating or retaining jobs,  
16 a substantial portion of which, as determined by the municipality,  
17 shall be for persons of low income.

18       (u) To make payments, grants, and other assistance to, or contract  
19 with, existing or new owners and tenants of property in the community  
20 renewal area, under RCW 35.81.070.

21       (v) To organize, coordinate, and direct the administration of the  
22 provisions of this chapter.

23       (~~(r)~~) (w) To perform such duties as the local governing body may  
24 direct so as to make the necessary arrangements for the exercise of the  
25 powers and the performance of the duties and responsibilities entrusted  
26 to the local governing body.

27       Any powers granted in this chapter that are not included in (~~(RCW~~  
28 ~~35.81.150(2))~~) this subsection (2) as powers of the (~~(urban)~~) community  
29 renewal agency or a department or other officers of a municipality in  
30 lieu thereof(~~(7)~~) may only be exercised by the local governing body or  
31 other officers, boards, and commissions as provided (~~(under existing)~~)  
32 by law.

33       **Sec. 18.** RCW 35.81.160 and 1965 c 7 s 35.81.160 are each amended  
34 to read as follows:

35       (1) When a municipality has made the finding prescribed in RCW  
36 35.81.050 and has elected to have the (~~(urban)~~) community renewal  
37 project powers, as specified in RCW 35.81.150, exercised, such  
38 (~~(urban)~~) community renewal project powers may be assigned to a

1 department or other officers of the municipality or to any existing  
2 public body corporate, or the legislative body of a ((city))  
3 municipality may create ((an urban)) a community renewal agency in such  
4 municipality to be known as a public body corporate to which such  
5 powers may be assigned.

6 (2) If the ((urban)) community renewal agency is authorized to  
7 transact business and exercise powers ((hereunder)) under this chapter,  
8 the mayor, by and with the advice and consent of the local governing  
9 body, shall appoint a board of commissioners of the ((urban)) community  
10 renewal agency which shall consist of five commissioners. The initial  
11 membership shall consist of one commissioner appointed for one year,  
12 one for two years, one for three years, and two for four years; and  
13 each appointment thereafter shall be for four years, except that in the  
14 case of death, incapacity, removal, or resignation of a commissioner,  
15 the replacement may be appointed to serve the remainder of the  
16 commissioner's term.

17 (3) A commissioner shall receive no compensation for ((his))  
18 services but shall be entitled to the necessary expenses, including  
19 traveling expenses, incurred in the discharge of his or her duties.  
20 Each commissioner shall hold office until ((his)) a successor has been  
21 appointed and has qualified. A certificate of the appointment or  
22 reappointment of any commissioner shall be filed with the clerk of the  
23 municipality and such certificate shall be conclusive evidence of the  
24 due and proper appointment of such commissioner.

25 The powers and responsibilities of ((an urban)) a community renewal  
26 agency shall be exercised by the commissioners thereof. A majority of  
27 the commissioners shall constitute a quorum for the purpose of  
28 conducting business and exercising the powers and responsibilities of  
29 the agency and for all other purposes. Action may be taken by the  
30 agency upon a vote of a majority of the commissioners present, unless  
31 in any case the bylaws shall require a larger number. Any persons may  
32 be appointed as commissioners if they reside within the municipality.

33 The ((urban)) community renewal agency or department or officers  
34 exercising ((urban)) community renewal project powers shall be staffed  
35 with the necessary technical experts and such other agents and  
36 employees, permanent and temporary, as it may require. An agency  
37 authorized to transact business and exercise powers under this chapter  
38 shall file, with the local governing body, on or before March 31st of  
39 each year, a report of its activities for the preceding calendar year,

1 which report shall include a complete financial statement setting forth  
2 its assets, liabilities, income, and operating expense as of the end of  
3 such calendar year. At the time of filing the report, the agency shall  
4 publish in a legal newspaper (~~(of general circulation)~~) in the  
5 community a notice to the effect that such report has been filed with  
6 the municipality and that the report is available for inspection during  
7 business hours in the office of the (~~(city)~~) clerk of the municipality  
8 and in the office of the agency.

9 (4) For inefficiency, neglect of duty, or misconduct in office, a  
10 commissioner may be removed by the legislative body of the  
11 municipality.

12 **Sec. 19.** RCW 35.81.170 and 1965 c 7 s 35.81.170 are each amended  
13 to read as follows:

14 For all of the purposes of this chapter, no person shall, because  
15 of race, creed, color, sex, or national origin, be subjected to any  
16 discrimination.

17 **Sec. 20.** RCW 35.81.180 and 1965 c 7 s 35.81.180 are each amended  
18 to read as follows:

19 No (~~(public)~~) official(~~(-)~~) or department or division head of a  
20 municipality or (~~(urban)~~) community renewal agency or department or  
21 officers (~~(which have been vested by a municipality with urban)~~) with  
22 responsibility for making or supervising any decisions in the exercise  
23 of community renewal project powers and responsibilities under RCW  
24 35.81.150(~~(-)~~) shall voluntarily acquire any interest, direct or  
25 indirect, in any (~~(urban)~~) community renewal project, or in any  
26 property included or planned to be included in any (~~(urban)~~) community  
27 renewal project of such municipality, or in any contract or proposed  
28 contract in connection with such (~~(urban)~~) community renewal project.  
29 (~~(Where)~~) Whether or not such an acquisition is (~~(not)~~) voluntary, the  
30 (~~(interest acquired)~~) person acquiring it shall (~~(be)~~) immediately  
31 (~~(disclosed)~~) disclose the interest acquired in writing to the local  
32 governing body and such disclosure shall be entered upon the minutes of  
33 the governing body. If any such official(~~(-)~~) or department or  
34 division head owns or controls, or owned or controlled within two years  
35 prior to the date of the first public hearing on the (~~(urban)~~)  
36 community renewal project, any interest, direct or indirect, in any  
37 property (~~(which)~~) that he or she knows is included in (~~(an urban)~~) a

1 community renewal project, he or she shall immediately disclose this  
2 fact in writing to the local governing body, and such disclosure shall  
3 be entered upon the minutes of the governing body, and any such  
4 official(~~(,)~~) or department or division head shall not participate in  
5 any action on that particular project by the municipality or (~~urban~~)  
6 community renewal agency(~~(, department, or officers which have been~~  
7 ~~vested with urban renewal project powers by the municipality pursuant~~  
8 ~~to the provisions of RCW 35.81.150. A majority of the commissioners of~~  
9 ~~an urban renewal agency exercising powers pursuant to this chapter~~  
10 ~~shall not hold any other public office under the municipality other~~  
11 ~~than their commissionership or office with respect to such urban~~  
12 ~~renewal agency, department, or officers)~~). Any willful violation of  
13 the provisions of this section shall constitute misconduct in office.

14 **Sec. 21.** RCW 35.81.910 and 1965 c 7 s 35.81.910 are each amended  
15 to read as follows:

16 This chapter shall be known and may be cited as the "~~Urban~~)  
17 Community Renewal Law."

18 **Sec. 22.** RCW 35.82.070 and 1993 c 478 s 17 are each amended to  
19 read as follows:

20 An authority shall constitute a public body corporate and politic,  
21 exercising public and essential governmental functions, and having all  
22 the powers necessary or convenient to carry out and effectuate the  
23 purposes and provisions of this chapter, including the following powers  
24 in addition to others herein granted:

25 (1) To sue and be sued; to have a seal and to alter the same at  
26 pleasure; to have perpetual succession; to make and execute contracts  
27 and other instruments, including but not limited to partnership  
28 agreements and joint venture agreements, necessary or convenient to the  
29 exercise of the powers of the authority; to participate in the  
30 organization or the operation of a nonprofit corporation which has as  
31 one of its purposes to provide or assist in the provision of housing  
32 for persons of low income; and to make and from time to time amend and  
33 repeal bylaws, rules and regulations, not inconsistent with this  
34 chapter, to carry into effect the powers and purposes of the authority.

35 (2) Within its area of operation: To prepare, carry out, acquire,  
36 lease and operate housing projects; to provide for the construction,  
37 reconstruction, improvement, alteration or repair of any housing

1 project or any part thereof; to agree to rent or sell dwellings forming  
2 part of the projects to or for persons of low income. Where an  
3 agreement or option is made to sell a dwelling to a person of low  
4 income, the authority may convey the dwelling to the person upon  
5 fulfillment of the agreement irrespective of whether the person is at  
6 the time of the conveyance a person of low income. Leases, options,  
7 agreements, or conveyances may include such covenants as the authority  
8 deems appropriate to assure the achievement of the objectives of this  
9 chapter.

10 (3) To acquire, lease, rent, sell, or otherwise dispose of any  
11 commercial space located in buildings or structures containing a  
12 housing project or projects.

13 (4) To arrange or contract for the furnishing by any person or  
14 agency, public or private, of services, privileges, works, or  
15 facilities for, or in connection with, a housing project or the  
16 occupants thereof; and (notwithstanding anything to the contrary  
17 contained in this chapter or in any other provision of law) to include  
18 in any contract let in connection with a project, stipulations  
19 requiring that the contractor and any subcontractors comply with  
20 requirements as to minimum wages and maximum hours of labor, and comply  
21 with any conditions which the federal government may have attached to  
22 its financial aid of the project.

23 (5) To lease or rent any dwellings, houses, accommodations, lands,  
24 buildings, structures or facilities embraced in any housing project and  
25 (subject to the limitations contained in this chapter) to establish and  
26 revise the rents or charges therefor; to own or manage buildings  
27 containing a housing project or projects as well as commercial space or  
28 other dwelling units that do not constitute a housing project as that  
29 term is defined in this chapter(~~(:—PROVIDED, That))~~). However,  
30 notwithstanding the provisions under subsection (1) of this section,  
31 dwelling units made available or sold to persons of low income,  
32 together with functionally related and subordinate facilities, shall  
33 occupy at least fifty percent of the interior space in the total  
34 development owned by the authority or at least fifty percent of the  
35 total number of units in the development owned by the authority,  
36 whichever produces the greater number of units for persons of low  
37 income, and for mobile home parks, the mobile home lots made available  
38 to persons of low income shall be at least fifty percent of the total  
39 number of mobile home lots in the park owned by the authority; to own,

1 hold, and improve real or personal property; to purchase, lease, obtain  
2 options upon, acquire by gift, grant, bequest, devise, or otherwise  
3 including financial assistance and other aid from the state or any  
4 public body, person or corporation, any real or personal property or  
5 any interest therein; to acquire by the exercise of the power of  
6 eminent domain any real property; to sell, lease, exchange, transfer,  
7 assign, pledge, or dispose of any real or personal property or any  
8 interest therein; to sell, lease, exchange, transfer, or dispose of any  
9 real or personal property or interest therein at less than fair market  
10 value to a governmental entity for any purpose when such action assists  
11 the housing authority in carrying out its powers and purposes under  
12 this chapter, to a low-income person or family for the purpose of  
13 providing housing for that person or family, or to a nonprofit  
14 corporation provided the nonprofit corporation agrees to sell the  
15 property to a low-income person or family or to use the property for  
16 the provision of housing for persons of low income for at least twenty  
17 years; to insure or provide for the insurance of any real or personal  
18 property or operations of the authority against any risks or hazards;  
19 to procure or agree to the procurement of insurance or guarantees from  
20 the federal government of the payment of any bonds or parts thereof  
21 issued by an authority, including the power to pay premiums on any such  
22 insurance.

23 (6) To invest any funds held in reserves or sinking funds, or any  
24 funds not required for immediate disbursement, in property or  
25 securities in which savings banks may legally invest funds subject to  
26 their control; to purchase its bonds at a price not more than the  
27 principal amount thereof and accrued interest, all bonds so purchased  
28 to be canceled.

29 (7) Within its area of operation: To investigate into living,  
30 dwelling and housing conditions and into the means and methods of  
31 improving such conditions; to determine where slum areas exist or where  
32 there is a shortage of decent, safe and sanitary dwelling  
33 accommodations for persons of low income; to make studies and  
34 recommendations relating to the problem of clearing, replanning and  
35 reconstructing of slum areas, and the problem of providing dwelling  
36 accommodations for persons of low income, and to cooperate with the  
37 city, the county, the state or any political subdivision thereof in  
38 action taken in connection with such problems; and to engage in  
39 research, studies and experimentation on the subject of housing.



1 (8) Acting through one or more commissioners or other person or  
2 persons designated by the authority: To conduct examinations and  
3 investigations and to hear testimony and take proof under oath at  
4 public or private hearings on any matter material for its information;  
5 to administer oaths, issue subpoenas requiring the attendance of  
6 witnesses or the production of books and papers and to issue  
7 commissions for the examination of witnesses who are outside of the  
8 state or unable to attend before the authority, or excused from  
9 attendance; to make available to appropriate agencies (including those  
10 charged with the duty of abating or requiring the correction of  
11 nuisances or like conditions, or of demolishing unsafe or insanitary  
12 structures within its area of operation) its findings and  
13 recommendations with regard to any building or property where  
14 conditions exist which are dangerous to the public health, morals,  
15 safety or welfare.

16 (9) To initiate eviction proceedings against any tenant as provided  
17 by law. Activity occurring in any housing authority unit that  
18 constitutes a violation of chapter 69.41, 69.50 or 69.52 RCW shall  
19 constitute a nuisance for the purpose of RCW 59.12.030(5).

20 (10) To exercise all or any part or combination of powers herein  
21 granted.

22 No provisions of law with respect to the acquisition, operation or  
23 disposition of property by other public bodies shall be applicable to  
24 an authority unless the legislature shall specifically so state.

25 (11) To agree (notwithstanding the limitation contained in RCW  
26 35.82.210) to make such payments in lieu of taxes as the authority  
27 finds consistent with the achievement of the purposes of this chapter.

28 (12) Upon the request of a county or city, to exercise any powers  
29 of ~~((an urban))~~ a community renewal agency under chapter 35.81 RCW or  
30 a public corporation, commission, or authority under chapter 35.21 RCW.  
31 ~~((However, in the exercise of any such powers the housing authority  
32 shall be subject to any express limitations contained in this  
33 chapter.))~~

34 (13) To exercise the powers granted in this chapter within the  
35 boundaries of any city, town, or county not included in the area in  
36 which such housing authority is originally authorized to function:  
37 PROVIDED, HOWEVER, The governing or legislative body of such city,  
38 town, or county, as the case may be, adopts a resolution declaring that  
39 there is a need for the authority to function in such territory.

1 (14) To administer contracts for assistance payments to persons of  
2 low income in accordance with section 8 of the United States Housing  
3 Act of 1937, as amended by Title II, section 201 of the Housing and  
4 Community Development Act of 1974, P.L. 93-383.

5 (15) To sell at public or private sale, with or without public  
6 bidding, for fair market value, any mortgage or other obligation held  
7 by the authority.

8 (16) To the extent permitted under its contract with the holders of  
9 bonds, notes, and other obligations of the authority, to consent to any  
10 modification with respect to rate of interest, time and payment of any  
11 installment of principal or interest security, or any other term of any  
12 contract, mortgage, mortgage loan, mortgage loan commitment, contract  
13 or agreement of any kind to which the authority is a party.

14 (17) To make, purchase, participate in, invest in, take assignments  
15 of, or otherwise acquire loans to persons of low income to enable them  
16 to acquire, construct, reconstruct, rehabilitate, improve, lease, or  
17 refinance their dwellings, and to take such security therefor as is  
18 deemed necessary and prudent by the authority.

19 (18) To make, purchase, participate in, invest in, take assignments  
20 of, or otherwise acquire loans for the acquisition, construction,  
21 reconstruction, rehabilitation, improvement, leasing, or refinancing of  
22 land, buildings, or developments for housing for persons of low income.  
23 For purposes of this subsection, development shall include either land  
24 or buildings or both.

25 (a) Any development financed under this subsection shall be subject  
26 to an agreement that for at least twenty years the dwelling units made  
27 available to persons of low income together with functionally related  
28 and subordinate facilities shall occupy at least fifty percent of the  
29 interior space in the total development or at least fifty percent of  
30 the total number of units in the development, whichever produces the  
31 greater number of units for persons of low income. For mobile home  
32 parks, the mobile home lots made available to persons of low income  
33 shall be at least fifty percent of the total number of mobile home lots  
34 in the park. During the term of the agreement, the owner shall use its  
35 best efforts in good faith to maintain the dwelling units or mobile  
36 home lots required to be made available to persons of low income at  
37 rents affordable to persons of low income. The twenty-year requirement  
38 under this subsection (18)(a) shall not apply when an authority  
39 finances the development by nonprofit corporations or governmental

1 units of dwellings or mobile home lots intended for sale to persons of  
2 low and moderate income, and shall not apply to construction or other  
3 short-term financing provided to nonprofit corporations or governmental  
4 units when the financing has a repayment term of one year or less.

5 (b) In addition, if the development is owned by a for-profit  
6 entity, the dwelling units or mobile home lots required to be made  
7 available to persons of low income shall be rented to persons whose  
8 incomes do not exceed fifty percent of the area median income, adjusted  
9 for household size, and shall have unit or lot rents that do not exceed  
10 fifteen percent of area median income, adjusted for household size,  
11 unless rent subsidies are provided to make them affordable to persons  
12 of low income.

13 For purposes of this subsection (18)(b), if the development is  
14 owned directly or through a partnership by a governmental entity or a  
15 nonprofit organization, which nonprofit organization is itself not  
16 controlled by a for-profit entity or affiliated with any for-profit  
17 entity that a nonprofit organization itself does not control, it shall  
18 not be treated as being owned by a for-profit entity when the  
19 governmental entity or nonprofit organization exercises legal control  
20 of the ownership entity and in addition, (i) the dwelling units or  
21 mobile home lots required to be made available to persons of low income  
22 are rented to persons whose incomes do not exceed sixty percent of the  
23 area median income, adjusted for household size, and (ii) the  
24 development is subject to an agreement that transfers ownership to the  
25 governmental entity or nonprofit organization or extends an irrevocable  
26 right of first refusal to purchase the development under a formula for  
27 setting the acquisition price that is specified in the agreement.

28 (c) Commercial space in any building financed under this subsection  
29 that exceeds four stories in height shall not constitute more than  
30 twenty percent of the interior area of the building. Before financing  
31 any development under this subsection the authority shall make a  
32 written finding that financing is important for project feasibility or  
33 necessary to enable the authority to carry out its powers and purposes  
34 under this chapter.

35 (19) To contract with a public authority or corporation, created by  
36 a county, city, or town under RCW 35.21.730 through 35.21.755, to act  
37 as the developer for new housing projects or improvement of existing  
38 housing projects.

1       **Sec. 23.** RCW 35.21.730 and 1985 c 332 s 1 are each amended to read  
2 as follows:

3       In order to improve the administration of authorized federal grants  
4 or programs, to improve governmental efficiency and services, or to  
5 improve the general living conditions in the urban areas of the state,  
6 any city, town, or county may by lawfully adopted ordinance or  
7 resolution:

8       (1) Transfer to any public corporation, commission, or authority  
9 created ((hereunder)) under this section, with or without  
10 consideration, any funds, real or personal property, property  
11 interests, or services;

12       (2) Organize and participate in joint operations or cooperative  
13 organizations funded by the federal government when acting solely as  
14 coordinators or agents of the federal government;

15       (3) Continue federally-assisted programs, projects, and activities  
16 after expiration of contractual term or after expending allocated  
17 federal funds as deemed appropriate to fulfill contracts made in  
18 connection with such agreements or as may be proper to permit an  
19 orderly readjustment by participating corporations, associations, or  
20 individuals;

21       (4) Enter into contracts with public corporations, commissions, and  
22 authorities for the purpose of exercising any powers of a community  
23 renewal agency under chapter 35.81 RCW; and

24       (5) Create public corporations, commissions, and authorities to:  
25 Administer and execute federal grants or programs; receive and  
26 administer private funds, goods, or services for any lawful public  
27 purpose; and perform any lawful public purpose or public function. The  
28 ordinance or resolution shall limit the liability of such public  
29 corporations, commissions, and authorities to the assets and properties  
30 of such public corporation, commission, or authority in order to  
31 prevent recourse to such cities, towns, or counties or their assets or  
32 credit.

33       **Sec. 24.** RCW 35.21.745 and 1985 c 332 s 2 are each amended to read  
34 as follows:

35       (1) Any city, town, or county which shall create a public  
36 corporation, commission, or authority pursuant to RCW 35.21.730 or  
37 35.21.660, shall provide for its organization and operations and shall  
38 control and oversee its operation and funds in order to correct any

1 deficiency and to assure that the purposes of each program undertaken  
2 are reasonably accomplished.

3       (2) Any public corporation, commission, or authority created as  
4 provided in RCW 35.21.730 may be empowered to own and sell real and  
5 personal property; to contract with a city, town, or county to conduct  
6 community renewal activities under chapter 35.81 RCW; to contract with  
7 individuals, associations, and corporations, and the state and the  
8 United States; to sue and be sued; to loan and borrow funds and issue  
9 bonds and other instruments evidencing indebtedness; transfer any  
10 funds, real or personal property, property interests, or services; to  
11 do anything a natural person may do; and to perform all manner and type  
12 of community services(~~(:—PROVIDED, That such)~~). However, the public  
13 corporation, commission, or authority shall have no power of eminent  
14 domain nor any power to levy taxes or special assessments.

15       **Sec. 25.** RCW 35.57.020 and 1999 c 165 s 2 are each amended to read  
16 as follows:

17       (1) A public facilities district is authorized to acquire,  
18 construct, own, remodel, maintain, equip, reequip, repair, finance, and  
19 operate one or more regional centers. For purposes of this chapter,  
20 "regional center" means a convention, conference, or special events  
21 center, or any combination of facilities, and related parking  
22 facilities, serving a regional population constructed, improved, or  
23 rehabilitated after July 25, 1999, at a cost of at least ten million  
24 dollars, including debt service. "Regional center" also includes an  
25 existing convention, conference, or special events center, and related  
26 parking facilities, serving a regional population, that is improved or  
27 rehabilitated after July 25, 1999, where the costs of improvement or  
28 rehabilitation are at least ten million dollars, including debt  
29 service. A regional center is conclusively presumed to serve a  
30 regional population if state and local government investment in the  
31 construction, improvement, or rehabilitation of the regional center is  
32 equal to or greater than ten million dollars.

33       (2) A public facilities district may enter into contracts with any  
34 city or town for the purpose of exercising any powers of a community  
35 renewal agency under chapter 35.81 RCW.

36       (3) A public facilities district may impose charges and fees for  
37 the use of its facilities, and may accept and expend or use gifts,  
38 grants, and donations for the purpose of a regional center.

1       (~~(3)~~) (4) A public facilities district may impose charges, fees,  
2 and taxes authorized in RCW 35.57.040, and use revenues derived  
3 therefrom for the purpose of paying principal and interest payments on  
4 bonds issued by the public facilities district to construct a regional  
5 center.

6       (~~(4)~~) (5) Notwithstanding the establishment of a career, civil,  
7 or merit service system, a public facilities district may contract with  
8 a public or private entity for the operation or management of its  
9 public facilities.

10       (~~(5)~~) (6) A public facilities district is authorized to use the  
11 supplemental alternative public works contracting procedures set forth  
12 in chapter 39.10 RCW in connection with the design, construction,  
13 reconstruction, remodel, or alteration of any regional center.

14       **Sec. 26.** RCW 36.100.010 and 1995 3rd sp.s. c 1 s 301 are each  
15 amended to read as follows:

16       (1) A public facilities district may be created in any county and  
17 shall be coextensive with the boundaries of the county.

18       (2) A public facilities district shall be created upon adoption of  
19 a resolution providing for the creation of such a district by the  
20 county legislative authority in which the proposed district is located.

21       (3) A public facilities district is a municipal corporation, an  
22 independent taxing "authority" within the meaning of Article VII,  
23 section 1 of the state Constitution, and a "taxing district" within the  
24 meaning of Article VII, section 2 of the state Constitution.

25       (4) No taxes authorized under this chapter may be assessed or  
26 levied unless a majority of the voters of the public facilities  
27 district has approved such tax at a general or special election. A  
28 single ballot proposition may both validate the imposition of the sales  
29 and use tax under RCW 82.14.048 and the excise tax under RCW  
30 36.100.040.

31       (5) A public facilities district shall constitute a body corporate  
32 and shall possess all the usual powers of a corporation for public  
33 purposes as well as all other powers that may now or hereafter be  
34 specifically conferred by statute, including, but not limited to, the  
35 authority to hire employees, staff, and services, to enter into  
36 contracts, and to sue and be sued.

1       (6) A public facilities district may enter into contracts with a  
2 county for the purpose of exercising any powers of a community renewal  
3 agency under chapter 35.81 RCW.

4       (7) The county legislative authority or the city council may  
5 transfer property to the public facilities district created under this  
6 chapter. No property that is encumbered with debt or that is in need  
7 of major capital renovation may be transferred to the district without  
8 the agreement of the district and revenues adequate to retire the  
9 existing indebtedness.

10       NEW SECTION. Sec. 27. A new section is added to chapter 53.08 RCW  
11 to read as follows:

12       A port district may enter into a contract with any city, town, or  
13 county for the purpose of exercising any powers of a community renewal  
14 agency under chapter 35.81 RCW.

15       NEW SECTION. Sec. 28. If any provision of this act or its  
16 application to any person or circumstance is held invalid, the  
17 remainder of the act or the application of the provision to other  
18 persons or circumstances is not affected.

19       NEW SECTION. Sec. 29. (1) This act does not impair any authority  
20 granted, any actions undertaken, or any liability or obligation  
21 incurred under the sections amended in this act or under any rule,  
22 order, plan, or project adopted under those sections, nor does it  
23 impair any proceedings instituted under those sections.

24       (2) Any power granted in this act with respect to a community  
25 renewal plan, and any process authorized for the exercise of the power,  
26 may be used by any municipality in implementing any urban renewal plan  
27 or project adopted under chapter 35.81 RCW, to the same extent as if  
28 the plan were adopted as a community renewal plan.

29       (3) This act shall be liberally construed.

30       NEW SECTION. Sec. 30. (1) RCW 35.81.010 is recodified as RCW  
31 35.81.015.

32       (2) RCW 35.81.020 is recodified as RCW 35.81.005.

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