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**ENGROSSED SUBSTITUTE HOUSE BILL 1727**

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**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** House Committee on Local Government (originally sponsored by Representatives Springer, Eddy, Dunn, Pettigrew, B. Sullivan, Buri, Strow, Ahern, Orcutt, Takko, Anderson, Haler, Upthegrove, Simpson, Jarrett, Rodne, Sells, O'Brien, Newhouse, Miloscia, Hinkle, Walsh, McCune, Kagi, Williams, Lovick, Linville, Quall, McDonald, Warnick, Kristiansen, Hurst, Seaquist, Kenney and P. Sullivan)

READ FIRST TIME 02/27/2007.

1       AN ACT Relating to growth management planning to ensure sufficient  
2 land and densities available to accommodate growth; amending RCW  
3 36.70A.070, 36.70A.090, and 36.70A.110; and adding a new section to  
4 chapter 36.70A RCW.

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

6       **Sec. 1.** RCW 36.70A.070 and 2005 c 360 s 2 are each amended to read  
7 as follows:

8       The comprehensive plan of a county or city that is required or  
9 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,  
10 and descriptive text covering objectives, principles, and standards  
11 used to develop the comprehensive plan. The plan shall be an  
12 internally consistent document and all elements shall be consistent  
13 with the future land use map. A comprehensive plan shall be adopted  
14 and amended with public participation as provided in RCW 36.70A.140.

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

17       (1) A land use element designating the proposed general  
18 distribution and general location and extent of the uses of land, where  
19 appropriate, for agriculture, timber production, housing, commerce,

1 industry, recreation, open spaces, general aviation airports, public  
2 utilities, public facilities, and other land uses. The land use  
3 element shall include population densities, building intensities, and  
4 estimates of future population growth. The land use element shall  
5 designate, as appropriate, a sufficient quantity of land needed for  
6 residential, commercial, and industrial uses. The land use element  
7 shall provide for protection of the quality and quantity of ground  
8 water used for public water supplies. Wherever possible, the land use  
9 element should consider utilizing urban planning approaches that  
10 promote physical activity. Where applicable, the land use element  
11 shall review drainage, flooding, and storm water run-off in the area  
12 and nearby jurisdictions and provide guidance for corrective actions to  
13 mitigate or cleanse those discharges that pollute waters of the state,  
14 including Puget Sound or waters entering Puget Sound.

15 (2) A housing element ensuring the vitality and character of  
16 established residential neighborhoods that: (a) Includes an inventory  
17 and analysis of existing and projected housing needs that identifies  
18 the number of housing units necessary to ~~((manage))~~ accommodate  
19 projected growth; (b) includes a statement of goals, policies,  
20 objectives, and mandatory provisions for the preservation, improvement,  
21 and development of housing, including single-family residences; (c)  
22 identifies a sufficient quantity of land suitable for meeting the  
23 existing and projected housing needs identified in (a) of this  
24 subsection, including, but not limited to, government-assisted housing,  
25 housing for low-income families, manufactured housing, multifamily  
26 housing, and group homes and foster care facilities; and (d) makes  
27 adequate provisions for existing and projected needs of all economic  
28 segments of the community.

29 (3) A capital facilities plan element consisting of: (a) An  
30 inventory of existing capital facilities owned by public entities,  
31 showing the locations and capacities of the capital facilities; (b) a  
32 forecast of the future needs for such capital facilities; (c) the  
33 proposed locations and capacities of expanded or new capital  
34 facilities; (d) at least a six-year plan that will finance such capital  
35 facilities within projected funding capacities and clearly identifies  
36 sources of public money for such purposes; and (e) a requirement to  
37 reassess the land use element if probable funding falls short of  
38 meeting existing needs and to ensure that the land use element, capital

1 facilities plan element, and financing plan within the capital  
2 facilities plan element are coordinated and consistent. Park and  
3 recreation facilities shall be included in the capital facilities plan  
4 element.

5 (4) A utilities element consisting of the general location,  
6 proposed location, and capacity of all existing and proposed utilities,  
7 including, but not limited to, electrical lines, telecommunication  
8 lines, and natural gas lines.

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

13 (a) Growth management act goals and local circumstances. Because  
14 circumstances vary from county to county, in establishing patterns of  
15 rural densities and uses, a county may consider local circumstances,  
16 but shall develop a written record explaining how the rural element  
17 harmonizes the planning goals in RCW 36.70A.020 and meets the  
18 requirements of this chapter.

19 (b) Rural development. The rural element shall permit rural  
20 development, forestry, and agriculture in rural areas. The rural  
21 element shall provide for a variety of rural densities, uses, essential  
22 public facilities, and rural governmental services needed to serve the  
23 permitted densities and uses. To achieve a variety of rural densities  
24 and uses, counties may provide for clustering, density transfer, design  
25 guidelines, conservation easements, and other innovative techniques  
26 that will accommodate appropriate rural densities and uses that are not  
27 characterized by urban growth and that are consistent with rural  
28 character.

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

32 (i) Containing or otherwise controlling rural development;

33 (ii) Assuring visual compatibility of rural development with the  
34 surrounding rural area;

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

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

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

3 (d) Limited areas of more intensive rural development. Subject to  
4 the requirements of this subsection and except as otherwise  
5 specifically provided in this subsection (5)(d), the rural element may  
6 allow for limited areas of more intensive rural development, including  
7 necessary public facilities and public services to serve the limited  
8 area as follows:

9 (i) Rural development consisting of the infill, development, or  
10 redevelopment of existing commercial, industrial, residential, or  
11 mixed-use areas, whether characterized as shoreline development,  
12 villages, hamlets, rural activity centers, or crossroads developments.

13 (A) A commercial, industrial, residential, shoreline, or mixed-use  
14 area shall be subject to the requirements of (d)(iv) of this  
15 subsection, but shall not be subject to the requirements of (c)(ii) and  
16 (iii) of this subsection.

17 (B) Any development or redevelopment other than an industrial area  
18 or an industrial use within a mixed-use area or an industrial area  
19 under this subsection (5)(d)(i) must be principally designed to serve  
20 the existing and projected rural population.

21 (C) Any development or redevelopment in terms of building size,  
22 scale, use, or intensity shall be consistent with the character of the  
23 existing areas. Development and redevelopment may include changes in  
24 use from vacant land or a previously existing use so long as the new  
25 use conforms to the requirements of this subsection (5);

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

36 (iii) The intensification of development on lots containing  
37 isolated nonresidential uses or new development of isolated cottage  
38 industries and isolated small-scale businesses that are not principally

1 designed to serve the existing and projected rural population and  
2 nonresidential uses, but do provide job opportunities for rural  
3 residents. Rural counties may allow the expansion of small-scale  
4 businesses as long as those small-scale businesses conform with the  
5 rural character of the area as defined by the local government  
6 according to RCW 36.70A.030(~~((+14))~~) (15). Rural counties may also  
7 allow new small-scale businesses to utilize a site previously occupied  
8 by an existing business as long as the new small-scale business  
9 conforms to the rural character of the area as defined by the local  
10 government according to RCW 36.70A.030(~~((+14))~~) (15). Public services  
11 and public facilities shall be limited to those necessary to serve the  
12 isolated nonresidential use and shall be provided in a manner that does  
13 not permit low-density sprawl;

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

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

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

35 (B) On the date the county adopted a resolution under RCW  
36 36.70A.040(2), in a county that is planning under all of the provisions  
37 of this chapter under RCW 36.70A.040(2); or

1 (C) On the date the office of financial management certifies the  
2 county's population as provided in RCW 36.70A.040(5), in a county that  
3 is planning under all of the provisions of this chapter pursuant to RCW  
4 36.70A.040(5).

5 (e) Exception. This subsection shall not be interpreted to permit  
6 in the rural area a major industrial development or a master planned  
7 resort unless otherwise specifically permitted under RCW 36.70A.360 and  
8 36.70A.365.

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

11 (a) The transportation element shall include the following  
12 subelements:

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

14 (ii) Estimated traffic impacts to state-owned transportation  
15 facilities resulting from land use assumptions to assist the department  
16 of transportation in monitoring the performance of state facilities, to  
17 plan improvements for the facilities, and to assess the impact of land-  
18 use decisions on state-owned transportation facilities;

19 (iii) Facilities and services needs, including:

20 (A) An inventory of air, water, and ground transportation  
21 facilities and services, including transit alignments and general  
22 aviation airport facilities, to define existing capital facilities and  
23 travel levels as a basis for future planning. This inventory must  
24 include state-owned transportation facilities within the city or  
25 county's jurisdictional boundaries;

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

29 (C) For state-owned transportation facilities, level of service  
30 standards for highways, as prescribed in chapters 47.06 and 47.80 RCW,  
31 to gauge the performance of the system. The purposes of reflecting  
32 level of service standards for state highways in the local  
33 comprehensive plan are to monitor the performance of the system, to  
34 evaluate improvement strategies, and to facilitate coordination between  
35 the county's or city's six-year street, road, or transit program and  
36 the department of transportation's six-year investment program. The  
37 concurrency requirements of (b) of this subsection do not apply to  
38 transportation facilities and services of statewide significance except

1 for counties consisting of islands whose only connection to the  
2 mainland are state highways or ferry routes. In these island counties,  
3 state highways and ferry route capacity must be a factor in meeting the  
4 concurrency requirements in (b) of this subsection;

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

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

11 (F) Identification of state and local system needs to meet current  
12 and future demands. Identified needs on state-owned transportation  
13 facilities must be consistent with the statewide multimodal  
14 transportation plan required under chapter 47.06 RCW;

15 (iv) Finance, including:

16 (A) An analysis of funding capability to judge needs against  
17 probable funding resources;

18 (B) A multiyear financing plan based on the needs identified in the  
19 comprehensive plan, the appropriate parts of which shall serve as the  
20 basis for the six-year street, road, or transit program required by RCW  
21 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795  
22 for public transportation systems. The multiyear financing plan should  
23 be coordinated with the ((~~six-year~~)) ten-year improvement program  
24 developed by the department of transportation as required by RCW  
25 47.05.030;

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

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

33 (vi) Demand-management strategies;

34 (vii) Pedestrian and bicycle component to include collaborative  
35 efforts to identify and designate planned improvements for pedestrian  
36 and bicycle facilities and corridors that address and encourage  
37 enhanced community access and promote healthy lifestyles.

1 (b) After adoption of the comprehensive plan by jurisdictions  
2 required to plan or who choose to plan under RCW 36.70A.040, local  
3 jurisdictions must adopt and enforce ordinances which prohibit  
4 development approval if the development causes the level of service on  
5 a locally owned transportation facility to decline below the standards  
6 adopted in the transportation element of the comprehensive plan, unless  
7 transportation improvements or strategies to accommodate the impacts of  
8 development are made concurrent with the development. These strategies  
9 may include increased public transportation service, ride sharing  
10 programs, demand management, and other transportation systems  
11 management strategies. For the purposes of this subsection (6)  
12 "concurrent with the development" shall mean that improvements or  
13 strategies are in place at the time of development, or that a financial  
14 commitment is in place to complete the improvements or strategies  
15 within six years.

16 (c) The transportation element described in this subsection (6),  
17 and the six-year plans required by RCW 35.77.010 for cities, RCW  
18 36.81.121 for counties, and RCW 35.58.2795 for public transportation  
19 systems, and the ten-year plan required by RCW 47.05.030 for the state,  
20 must be consistent.

21 (7) An economic development element establishing local goals,  
22 policies, objectives, and provisions for economic growth and vitality  
23 and a high quality of life. The element shall include: (a) A summary  
24 of the local economy such as population, employment, payroll, sectors,  
25 businesses, sales, and other information as appropriate; (b) a summary  
26 of the strengths and weaknesses of the local economy defined as the  
27 commercial and industrial sectors and supporting factors such as land  
28 use, transportation, utilities, education, work force, housing, and  
29 natural/cultural resources; and (c) an identification of policies,  
30 programs, and projects to foster economic growth and development and to  
31 address future needs. A city that has chosen to be a residential  
32 community is exempt from the economic development element requirement  
33 of this subsection.

34 (8) A park and recreation element that implements, and is  
35 consistent with, the capital facilities plan element as it relates to  
36 park and recreation facilities. The element shall include: (a)  
37 Estimates of park and recreation demand for at least a ten-year period;



1 (b) an evaluation of facilities and service needs; and (c) an  
2 evaluation of intergovernmental coordination opportunities to provide  
3 regional approaches for meeting park and recreational demand.

4 (9) It is the intent that new or amended elements required after  
5 January 1, 2002, be adopted concurrent with the scheduled update  
6 provided in RCW 36.70A.130. Requirements to incorporate any such new  
7 or amended elements shall be null and void until funds sufficient to  
8 cover applicable local government costs are appropriated and  
9 distributed by the state at least two years before local government  
10 must update comprehensive plans as required in RCW 36.70A.130.

11 **Sec. 2.** RCW 36.70A.090 and 1990 1st ex.s. c 17 s 9 are each  
12 amended to read as follows:

13 A comprehensive plan should provide for innovative land use  
14 management techniques, including, but not limited to, density bonuses,  
15 cluster housing, planned unit developments, mixed-use development,  
16 accessory dwelling units, and the transfer of development rights.

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

19 (1) A county and one or more of its cities, or two or more counties  
20 sharing a common border and their cities, may adopt countywide planning  
21 policies or multicounty planning policies establishing subregions in  
22 order to address housing and employment markets that cross  
23 jurisdictional boundaries. Policies adopted under this section may  
24 include, but are not limited to:

25 (a) Policies that reallocate among the counties and cities in the  
26 subregion the population growth established for each local government  
27 under RCW 36.70A.110;

28 (b) Policies that provide for a sufficient number of housing units  
29 to accommodate the existing housing needs and projected population  
30 growth in the subregion; and

31 (c) Policies that provide for sufficient land suitable for  
32 development to meet the needs for commercial and industrial growth in  
33 the subregion.

34 (2) The local governments within the subregion may use the  
35 countywide planning policies or multicounty planning policies,

1 interlocal agreements under chapter 39.34 RCW, or any other appropriate  
2 mechanism to implement the policies established under subsection (1) of  
3 this section.

4 **Sec. 4.** RCW 36.70A.110 and 2004 c 206 s 1 are each amended to read  
5 as follows:

6 (1) In accordance with the requirements of this section, each  
7 county that is required or chooses to plan under RCW 36.70A.040 shall  
8 designate an urban growth area or areas within which urban growth shall  
9 be encouraged and outside of which growth can occur only if it is not  
10 urban in nature. Each city that is located in such a county shall be  
11 included within an urban growth area. An urban growth area may include  
12 more than a single city. An urban growth area may include territory  
13 that is located outside of a city only if such territory already is  
14 characterized by urban growth whether or not the urban growth area  
15 includes a city, or is adjacent to territory already characterized by  
16 urban growth, or is a designated new fully contained community as  
17 defined by RCW 36.70A.350.

18 (2) Based upon the growth management population projection made for  
19 the county by the office of financial management, the county and each  
20 city within the county shall include areas and densities sufficient to  
21 permit the urban growth that is projected to occur in the county or  
22 city for the succeeding twenty-year period, except for those urban  
23 growth areas contained totally within a national historical reserve.

24 Each urban growth area shall permit urban densities and shall  
25 include greenbelt and open space areas. In the case of urban growth  
26 areas contained totally within a national historical reserve, the city  
27 may restrict densities, intensities, and forms of urban growth as  
28 determined to be necessary and appropriate to protect the physical,  
29 cultural, or historic integrity of the reserve. An urban growth area  
30 determination may include a reasonable land market supply factor and  
31 shall permit a range of urban densities and uses. In determining this  
32 market factor, cities and counties may consider local circumstances.  
33 Cities and counties have discretion in their comprehensive plans to  
34 make many choices about accommodating growth.

35 Within one year of July 1, 1990, each county that as of June 1,  
36 1991, was required or chose to plan under RCW 36.70A.040, shall begin  
37 consulting with each city located within its boundaries and each city

1 shall propose the location of an urban growth area. Within sixty days  
2 of the date the county legislative authority of a county adopts its  
3 resolution of intention or of certification by the office of financial  
4 management, all other counties that are required or choose to plan  
5 under RCW 36.70A.040 shall begin this consultation with each city  
6 located within its boundaries. The county shall attempt to reach  
7 agreement with each city on the location of an urban growth area within  
8 which the city is located. If such an agreement is not reached with  
9 each city located within the urban growth area, the county shall  
10 justify in writing why it so designated the area an urban growth area.  
11 A city may object formally with the department over the designation of  
12 the urban growth area within which it is located. Where appropriate,  
13 the department shall attempt to resolve the conflicts, including the  
14 use of mediation services.

15 (3) Counties planning under RCW 36.70A.040 with populations of at  
16 least one hundred seventy-five thousand must:

17 (a) Consult and cooperate with each city within an urban growth  
18 area proposed for modification prior to and concurrent with actions to  
19 modify the urban growth area within which the city or cities are  
20 located;

21 (b) Consult and cooperate with each city within each urban growth  
22 area to adopt development regulations for unincorporated territory  
23 within urban growth areas that are consistent with each applicable  
24 city;

25 (c) Adopt development regulations for new development in  
26 unincorporated territory within an urban growth area that is, as of the  
27 effective date of this act, entirely surrounded by incorporated  
28 territory. Development regulations adopted under this subsection  
29 (3)(c) must be consistent with the city or cities surrounding the  
30 unincorporated territory; and

31 (d) Report to the appropriate committees of the house of  
32 representatives and the senate by December 1, 2007, on the  
33 implementation of, and any impediments related to, the requirements of  
34 (a) and (b) of this subsection (3).

35 (4) Urban growth should be located first in areas already  
36 characterized by urban growth that have adequate existing public  
37 facility and service capacities to serve such development, second in  
38 areas already characterized by urban growth that will be served

1 adequately by a combination of both existing public facilities and  
2 services and any additional needed public facilities and services that  
3 are provided by either public or private sources, and third in the  
4 remaining portions of the urban growth areas. Urban growth may also be  
5 located in designated new fully contained communities as defined by RCW  
6 36.70A.350.

7 ~~((4))~~ (5) In general, cities are the units of local government  
8 most appropriate to provide urban governmental services. In general,  
9 it is not appropriate that urban governmental services be extended to  
10 or expanded in rural areas except in those limited circumstances shown  
11 to be necessary to protect basic public health and safety and the  
12 environment and when such services are financially supportable at rural  
13 densities and do not permit urban development.

14 ~~((5))~~ (6) On or before October 1, 1993, each county that was  
15 initially required to plan under RCW 36.70A.040(1) shall adopt  
16 development regulations designating interim urban growth areas under  
17 this chapter. Within three years and three months of the date the  
18 county legislative authority of a county adopts its resolution of  
19 intention or of certification by the office of financial management,  
20 all other counties that are required or choose to plan under RCW  
21 36.70A.040 shall adopt development regulations designating interim  
22 urban growth areas under this chapter. Adoption of the interim urban  
23 growth areas may only occur after public notice; public hearing; and  
24 compliance with the state environmental policy act, chapter 43.21C RCW,  
25 and RCW 36.70A.110. Such action may be appealed to the appropriate  
26 growth management hearings board under RCW 36.70A.280. Final urban  
27 growth areas shall be adopted at the time of comprehensive plan  
28 adoption under this chapter.

29 ~~((6))~~ (7) Each county shall include designations of urban growth  
30 areas in its comprehensive plan.

31 ~~((7))~~ (8) An urban growth area designated in accordance with this  
32 section may include within its boundaries urban service areas or  
33 potential annexation areas designated for specific cities or towns  
34 within the county.

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