
HOUSE BILL 2164

State of Washington 60th Legislature 2007 Regular Session

By Representatives Dunshee, Morrell, Moeller and Ormsby

Read first time 02/12/2007. Referred to Committee on Finance.

1 AN ACT Relating to property tax exemptions for multiple-unit
2 housing in urban centers within the boundaries of the campus facilities
3 master plan of any state institution of higher education; amending RCW
4 84.14.010, 84.14.030, and 84.14.040; creating a new section; providing
5 an effective date; and declaring an emergency.

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

7 **Sec. 1.** RCW 84.14.010 and 2002 c 146 s 1 are each amended to read
8 as follows:

9 Unless the context clearly requires otherwise, the definitions in
10 this section apply throughout this chapter.

11 (1) "Campus facilities master plan" means the area that is defined
12 by a state institution of higher education as necessary for the future
13 growth and development of its campus facilities wherever located within
14 the state.

15 (2) "City" means either (a) a city or town with a population of at
16 least thirty thousand or (b) the largest city or town, if there is no
17 city or town with a population of at least thirty thousand, located in
18 a county planning under the growth management act.

1 ~~((2))~~ (3) "Governing authority" means the local legislative
2 authority of a city having jurisdiction over the property for which an
3 exemption may be applied for under this chapter.

4 ~~((3))~~ (4) "Growth management act" means chapter 36.70A RCW.

5 ~~((4))~~ (5) "Multiple-unit housing" means a building having four or
6 more dwelling units not designed or used as transient accommodations
7 and not including hotels and motels. Multifamily units may result from
8 new construction or rehabilitated or conversion of vacant,
9 underutilized, or substandard buildings to multifamily housing.

10 ~~((5))~~ (6) "Owner" means the property owner of record.

11 ~~((6))~~ (7) "Permanent residential occupancy" means multiunit
12 housing that provides either rental or owner occupancy on a
13 nontransient basis. This includes owner-occupied or rental
14 accommodation that is leased for a period of at least one month. This
15 excludes hotels and motels that predominately offer rental
16 accommodation on a daily or weekly basis.

17 ~~((7))~~ (8) "Rehabilitation improvements" means modifications to
18 existing structures, that are vacant for twelve months or longer, that
19 are made to achieve a condition of substantial compliance with existing
20 building codes or modification to existing occupied structures which
21 increase the number of multifamily housing units.

22 ~~((8))~~ (9) "Residential targeted area" means an area within an
23 urban center that has been designated by the governing authority as a
24 residential targeted area in accordance with this chapter.

25 ~~((9))~~ (10) "State institution of higher education" means the
26 University of Washington, Washington State University, Central
27 Washington University, Eastern Washington University, Western
28 Washington University, The Evergreen State College, and any of
29 Washington state's community, vocational, or technical colleges.

30 (11) "Substantial compliance" means compliance with local building
31 or housing code requirements that are typically required for
32 rehabilitation as opposed to new construction.

33 ~~((10))~~ (12) "Urban center" means a compact identifiable district
34 where urban residents may obtain a variety of products and services.
35 An urban center must contain:

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

- 1 (b) Adequate public facilities including streets, sidewalks,
2 lighting, transit, domestic water, and sanitary sewer systems; and
3 (c) A mixture of uses and activities that may include housing,
4 recreation, and cultural activities in association with either
5 commercial or office, or both, use.

6 **Sec. 2.** RCW 84.14.030 and 2005 c 80 s 1 are each amended to read
7 as follows:

8 An owner of property making application under this chapter must
9 meet the following requirements:

10 (1) The new or rehabilitated multiple-unit housing must be located
11 in a residential targeted area as designated by the city;

12 (2) The new or rehabilitated multiple-unit housing must not be
13 located within the boundaries of a campus facilities master plan,
14 unless the affected state institution of higher education has granted
15 written approval prior to the time of application for the exemption;

16 (3) The multiple-unit housing must meet the guidelines as adopted
17 by the governing authority that may include height, density, public
18 benefit features, number and size of proposed development, parking,
19 low-income or moderate-income occupancy requirements, and other adopted
20 requirements indicated necessary by the city. The required amenities
21 should be relative to the size of the project and tax benefit to be
22 obtained;

23 ~~((3))~~ (4) The new, converted, or rehabilitated multiple-unit
24 housing must provide for a minimum of fifty percent of the space for
25 permanent residential occupancy. In the case of existing occupied
26 multifamily development, the multifamily housing must also provide for
27 a minimum of four additional multifamily units. Existing multifamily
28 vacant housing that has been vacant for twelve months or more does not
29 have to provide additional multifamily units;

30 ~~((4))~~ (5) New construction multifamily housing and rehabilitation
31 improvements must be completed within three years from the date of
32 approval of the application;

33 ~~((5))~~ (6) Property proposed to be rehabilitated must fail to
34 comply with one or more standards of the applicable state or local
35 building or housing codes on or after July 23, 1995. If the property
36 proposed to be rehabilitated is not vacant, an applicant shall provide

1 each existing tenant housing of comparable size, quality, and price and
2 a reasonable opportunity to relocate; and

3 ~~((+6+))~~ (7) The applicant must enter into a contract with the city
4 approved by the governing body under which the applicant has agreed to
5 the implementation of the development on terms and conditions
6 satisfactory to the governing authority.

7 **Sec. 3.** RCW 84.14.040 and 1995 c 375 s 7 are each amended to read
8 as follows:

9 (1) The following criteria must be met before an area may be
10 designated as a residential targeted area:

11 (a) The area must be within an urban center, as determined by the
12 governing authority;

13 (b) The area must lack, as determined by the governing authority,
14 sufficient available, desirable, and convenient residential housing to
15 meet the needs of the public who would be likely to live in the urban
16 center, if the desirable, attractive, and livable places to live were
17 available; and

18 (c) The providing of additional housing opportunity in the area, as
19 determined by the governing authority, will assist in achieving one or
20 more of the stated purposes of this chapter.

21 (2) For purposes of this chapter, a residential targeted area may
22 include property located within the boundaries of a campus facilities
23 master plan, if consistent with the provisions of RCW 84.14.030, which
24 provide that no new or rehabilitated multiple-unit housing may be
25 located within the boundaries of a campus facilities master plan,
26 unless the affected state institution of higher education has granted
27 written approval prior to the time of application for the exemption.

28 (3) For the purpose of designating a residential targeted area or
29 areas, the governing authority may adopt a resolution of intention to
30 so designate an area as generally described in the resolution. The
31 resolution must state the time and place of a hearing to be held by the
32 governing authority to consider the designation of the area and may
33 include such other information pertaining to the designation of the
34 area as the governing authority determines to be appropriate to apprise
35 the public of the action intended.

36 ~~((+3+))~~ (4) The governing authority shall give notice of a hearing
37 held under this chapter by publication of the notice once each week for

1 two consecutive weeks, not less than seven days, nor more than thirty
2 days before the date of the hearing in a paper having a general
3 circulation in the city where the proposed residential targeted area is
4 located. The notice must state the time, date, place, and purpose of
5 the hearing and generally identify the area proposed to be designated
6 as a residential targeted area.

7 ~~((4))~~ (5) Following the hearing, or a continuance of the hearing,
8 the governing authority may designate all or a portion of the area
9 described in the resolution of intent as a residential targeted area if
10 it finds, in its sole discretion, that the criteria in subsections (1)
11 through ~~((3))~~ (4) of this section have been met.

12 ~~((5))~~ (6) After designation of a residential targeted area, the
13 governing authority shall adopt standards and guidelines to be utilized
14 in considering applications and making the determinations required
15 under RCW 84.14.060. The standards and guidelines must establish basic
16 requirements for both new construction and rehabilitation including
17 application process and procedures. These guidelines may include the
18 following:

19 (a) Requirements that address demolition of existing structures and
20 site utilization; and

21 (b) Building requirements that may include elements addressing
22 parking, height, density, environmental impact, and compatibility with
23 the existing surrounding property and such other amenities as will
24 attract and keep permanent residents and that will properly enhance the
25 livability of the residential targeted area in which they are to be
26 located.

27 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act apply
28 retroactively to December 1, 2005.

29 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
30 preservation of the public peace, health, or safety, or support of the
31 state government and its existing public institutions, and takes effect
32 July 1, 2007.

--- END ---