
SENATE BILL 6199

State of Washington

61st Legislature

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By Senators Franklin, Sheldon, Honeyford, Carrell, Roach, Hargrove, Regala, Pflug, Becker, Parlette, Delvin, Swecker, and Shin; by request of Attorney General

Read first time 01/11/10. Referred to Committee on Government Operations & Elections.

1 AN ACT Relating to the community renewal law; amending RCW
2 35.81.005, 35.81.015, 35.81.040, 35.81.050, 35.81.060, 35.81.070,
3 35.81.080, and 35.81.090; and repealing RCW 35.81.030.

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

5 **Sec. 1.** RCW 35.81.005 and 2002 c 218 s 2 are each amended to read
6 as follows:

7 It is hereby found and declared that blighted (~~areas which~~)
8 properties constitute a serious and growing menace, are injurious to
9 the public health(~~,~~) and safety(~~,~~ ~~morals and welfare~~) of the
10 residents of the state, and exist in municipalities of the state(~~+~~
11 ~~that the existence of such areas contributes substantially and~~
12 ~~increasingly to the spread of disease and crime and depreciation of~~
13 ~~property values, constitutes an economic and social liability,~~
14 ~~substantially impairs or arrests the sound growth of municipalities,~~
15 ~~retards the provision of housing accommodations, hinders job creation~~
16 ~~and economic growth, aggravates traffic problems and substantially~~
17 ~~impairs or arrests the elimination of traffic hazards and the~~
18 ~~improvement of traffic facilities; and that)). The prevention and
19 elimination of such ((areas)) properties is a matter of state policy~~

1 and state concern in order that the state and its municipalities shall
2 not continue to be endangered by (~~areas which~~) properties that are
3 focal centers of disease, promote juvenile delinquency, are conducive
4 to fires, and are difficult to police and to provide police protection
5 for(~~, and, while contributing little to the tax income of the state~~
6 ~~and its municipalities, consume an excessive proportion of its revenues~~
7 ~~because of the extra services required for police, fire, accident,~~
8 ~~hospitalization and other forms of public protection, services, and~~
9 ~~facilities~~)).

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

21 (~~It is further found and declared that there is an urgent need to~~
22 ~~enhance the ability of municipalities to act effectively and~~
23 ~~expeditiously to revive blighted areas and to prevent further blight~~
24 ~~due to shocks to the economy of the state and their actual and~~
25 ~~threatened effects on unemployment, poverty, and the availability of~~
26 ~~private capital for businesses and projects in the area.~~)

27 It is further found and declared that the powers conferred by this
28 chapter are for public uses and purposes for which public money may be
29 expended and the power of eminent domain exercised(~~and that the~~
30 ~~necessity in the public interest for the provisions herein enacted is~~
31 ~~hereby declared as a matter of legislative determination~~)).

32 **Sec. 2.** RCW 35.81.015 and 2002 c 218 s 1 are each amended to read
33 as follows:

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

1 (1) "Agency" or "community renewal agency" means a public agency
2 created under RCW 35.81.160 or otherwise authorized to serve as a
3 community renewal agency under this chapter.

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

29 (3) "Bonds" means any bonds, notes, or debentures (including
30 refunding obligations) herein authorized to be issued.

31 (4) "Clerk" means the clerk or other official of the municipality
32 who is the custodian of the official records of such municipality.

33 (5) "Community renewal area" means (~~a blighted~~) an area in which
34 one or more blighted properties, and only such blighted properties, are
35 located, and which the local governing body designates as appropriate
36 for a community renewal project or projects.

37 (6) "Community renewal plan" means a plan, as it exists from time
38 to time, for a community renewal project or projects, which plan (a)

1 shall be consistent with the comprehensive plan or parts thereof for
2 the municipality as a whole; (b) shall be sufficiently complete to
3 indicate such land acquisition, demolition, and removal of structures,
4 redevelopment, improvements, and rehabilitation as may be proposed to
5 be carried out in the community renewal area; zoning and planning
6 changes, if any, which may include, among other things, changes related
7 to land uses, densities, and building requirements; and the plan's
8 relationship to definite local objectives respecting appropriate land
9 uses, improved traffic, public transportation, public utilities,
10 recreational and community facilities, and other public improvements;
11 (c) shall address the need for replacement housing, within the
12 municipality, where existing housing is lost as a result of the
13 community renewal project undertaken by the municipality under this
14 chapter; and (d) may include a plan to address any persistent high
15 levels of unemployment or poverty in the community renewal area.

16 (7) "Community renewal project" includes one or more undertakings
17 or activities of a municipality in a community renewal area: (a) For
18 the elimination (~~(and the prevention of the development or spread)~~) of
19 blight; (b) for encouraging economic growth through job creation or
20 retention; (c) for redevelopment or rehabilitation in a community
21 renewal area; or (d) any combination or part thereof in accordance with
22 a community renewal plan.

23 (8) "Federal government" includes the United States of America or
24 any agency or instrumentality, corporate or otherwise, of the United
25 States of America.

26 (9) "Local governing body" means the council or other legislative
27 body charged with governing the municipality.

28 (10) "Mayor" means the chief executive of a city or town, or the
29 elected executive, if any, of any county operating under a charter, or
30 the county legislative authority of any other county.

31 (11) "Municipality" means any incorporated city or town, or any
32 county, in the state.

33 (12) "Obligee" includes any bondholder, agent, or trustees for any
34 bondholders, any lessor demising to the municipality property used in
35 connection with a community renewal project, or any assignee or
36 assignees of such lessor's interest or any part thereof, and the
37 federal government when it is a party to any contract with the
38 municipality.

1 (13) "Person" means any individual, firm, partnership, corporation,
2 company, association, joint stock association, or school district; and
3 shall include any trustee, receiver, assignee, or other person acting
4 in a similar representative capacity.

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

12 (15) "Public body" means the state or any municipality, board,
13 commission, district, or any other subdivision or public body of the
14 state or of a municipality.

15 (16) "Public officer" means any officer who is in charge of any
16 department or branch of the government of the municipality relating to
17 health, fire, building regulations, or to other activities concerning
18 dwellings in the municipality.

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

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

37 (19) "Rehabilitation" includes the restoration and renewal of ((a))
38 blighted ((area)) properties or portions thereof, in accordance with a

1 community renewal plan, by (a) carrying out plans for a program of
2 voluntary or compulsory repair and rehabilitation of buildings or other
3 improvements; (b) acquisition of real property and demolition or
4 removal of buildings and improvements thereon where necessary to
5 eliminate unhealthful, (~~insanitary~~) unsanitary, or unsafe
6 conditions(~~(, lessen density, reduce traffic hazards, eliminate~~
7 ~~obsolete or other uses detrimental to the public welfare, or otherwise~~
8 ~~to remove or prevent the spread of blight or deterioration)~~), or to
9 provide land for needed public facilities; (c) installation,
10 construction, or reconstruction of streets, utilities, parks,
11 playgrounds, and other improvements necessary for carrying out in the
12 area the community renewal provisions of this chapter; and (d) the
13 disposition of any property acquired in such community renewal area for
14 uses in accordance with such community renewal plan.

15 **Sec. 3.** RCW 35.81.040 and 2002 c 218 s 4 are each amended to read
16 as follows:

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

1 assistance to a person or public body that is used to create or retain
2 jobs, a substantial portion of which, as determined by the
3 municipality, shall be for persons of low income.

4 **Sec. 4.** RCW 35.81.050 and 2002 c 218 s 5 are each amended to read
5 as follows:

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

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

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

24 (b) By the local governing body of the municipality directly(~~(r~~
25

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

31 **Sec. 5.** RCW 35.81.060 and 2002 c 218 s 6 are each amended to read
32 as follows:

33 (1) A municipality shall not approve a community renewal project
34 for a community renewal area unless the local governing body has, by
35 ordinance or resolution, determined (~~(such an area to be a blighted)~~)
36 that one or more blighted properties are located in the area and

1 designated the area as appropriate for a community renewal project.
2 The local governing body shall not approve a community renewal plan
3 until a comprehensive plan or parts of the plan for an area which would
4 include a community renewal area for the municipality have been
5 prepared as provided in chapter 36.70A RCW. For municipalities not
6 subject to the planning requirements of chapter 36.70A RCW, any
7 proposed comprehensive plan must be consistent with a local
8 comprehensive plan adopted under chapter 35.63 or 36.70 RCW, or any
9 other applicable law. A municipality shall not acquire real property
10 for a community renewal project unless the local governing body has
11 approved the community renewal project plan in accordance with
12 subsection (4) of this section.

13 (2) The municipality may itself prepare or cause to be prepared a
14 community renewal plan, or any person or agency, public or private, may
15 submit such a plan to the municipality. Prior to its approval of a
16 community renewal project, the local governing body shall review and
17 determine the conformity of the community renewal plan with the
18 comprehensive plan or parts thereof for the development of the
19 municipality as a whole. If the community renewal plan is not
20 consistent with the existing comprehensive plan, the local governing
21 body may amend its comprehensive plan or community renewal plan.

22 (3) Prior to adoption, the local governing body shall hold a public
23 hearing on a community renewal plan after providing public notice under
24 RCW 8.25.290. (~~The notice shall be given by publication once each~~
25 ~~week for two consecutive weeks not less than ten nor more than thirty~~
26 ~~days prior to the date of the hearing in a newspaper having a general~~
27 ~~circulation in the community renewal area of the municipality and by~~
28 ~~mailing a notice of the hearing not less than ten days prior to the~~
29 ~~date of the hearing to the persons whose names appear on the county~~
30 ~~treasurer's tax roll as the owner or reputed owner of the property, at~~
31 ~~the address shown on the tax roll.)) In addition to the information
32 required to be provided under RCW 8.25.290, the notice shall describe
33 the time, date, place, and purpose of the hearing, shall generally
34 identify the community renewal area affected, and shall outline the
35 general scope of the community renewal plan under consideration.~~

36 (4) Following the hearing, the local governing body may approve a
37 community renewal project if it finds that (a) a feasible plan exists
38 for making available adequate housing for the residents who may be

1 displaced by the project; (b) the community renewal plan conforms to
2 the comprehensive plan for the municipality; (c) ~~((the community
3 renewal plan will afford maximum opportunity, consistent with the needs
4 of the municipality, for the rehabilitation or redevelopment of the
5 community renewal area by private enterprise; (d)))~~ a sound and
6 adequate financial program exists for the financing of the project; and
7 ~~((e))~~ (d) the community renewal project area ((is a blighted area))
8 contains one or more blighted properties as defined in RCW
9 35.81.015(2).

10 (5) A community renewal project plan may be modified at any time by
11 the local governing body as long as the local governing body provides
12 notice of the proposed modification as described under subsection (3)
13 of this section. However, if modified after the lease or sale by the
14 municipality of real property in the community renewal project area,
15 the modification shall be subject to the rights at law or in equity as
16 a lessee or purchaser, or the successor or successors in interest may
17 be entitled to assert.

18 (6) Unless otherwise expressly stated in an ordinance or resolution
19 of the governing body of the municipality, a community renewal plan
20 shall not be considered a subarea plan or part of a comprehensive plan
21 for purposes of chapter 36.70A RCW. However, a municipality that has
22 adopted a comprehensive plan under chapter 36.70A RCW may adopt all or
23 part of a community renewal plan at any time as a new or amended
24 subarea plan, whether or not any subarea plan has previously been
25 adopted for all or part of the community renewal area. Any community
26 renewal plan so adopted, unless otherwise determined by the growth
27 management hearings board with jurisdiction under a timely appeal in
28 RCW 36.70A.280, shall be conclusively presumed to comply with the
29 requirements in this chapter for consistency with the comprehensive
30 plan.

31 **Sec. 6.** RCW 35.81.070 and 2002 c 218 s 7 are each amended to read
32 as follows:

33 Every municipality shall have all the powers necessary or
34 convenient to carry out and effectuate the purposes and provisions of
35 this chapter, including the following powers in addition to others
36 granted under this chapter:

1 (1) To undertake and carry out community renewal projects within
2 the municipality, to make and execute contracts and other instruments
3 necessary or convenient to the exercise of its powers under this
4 chapter, and to disseminate blight clearance and community renewal
5 information.

6 (2) To provide or to arrange or contract for the furnishing or
7 repair by any person or agency, public or private, of services,
8 privileges, works, streets, roads, public utilities or other facilities
9 for, or in connection with, a community renewal project; to install,
10 construct, and reconstruct streets, utilities, parks, playgrounds, and
11 other public improvements; and to agree to any conditions that it may
12 deem reasonable and appropriate attached to federal financial
13 assistance and imposed pursuant to federal law relating to the
14 determination of prevailing salaries or wages or compliance with labor
15 standards, in the undertaking or carrying out of a community renewal
16 project, and to include in any contract let in connection with such a
17 project, provisions to fulfill such of said conditions as it may deem
18 reasonable and appropriate.

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

23 (4) To make payments, loans, or grants to, provide assistance to,
24 and contract with existing or new owners and tenants of property in the
25 community renewal areas as compensation for any adverse impacts, such
26 as relocation or interruption of business, that may be caused by the
27 implementation of a community renewal project, and/or consideration for
28 commitments to develop, expand, or retain land uses that contribute to
29 the success of the project or plan, including without limitation
30 businesses that will create or retain jobs, a substantial portion of
31 which, as determined by the municipality, shall be for persons of low
32 income.

33 (5) To contract with a person or public body to provide financial
34 assistance, authorized under this section, to property owners and
35 tenants impacted by the implementation of the community renewal plan
36 and to provide incentives to property owners and tenants to encourage
37 them to locate in the community renewal area after adoption of the
38 community renewal plan.

1 (6) Within the municipality, to enter upon any building or property
2 in any community renewal area, in order to make surveys and appraisals,
3 provided that such entries shall be made in such a manner as to cause
4 the least possible inconvenience to the persons in possession(~~(, and to~~
5 ~~obtain))~~ and only pursuant to an order for this purpose from a court of
6 competent jurisdiction in the event entry is denied or resisted; to
7 acquire by purchase, lease, option, gift, grant, bequest, devise,
8 eminent domain, or otherwise, any real property and such personal
9 property as may be necessary for the administration of the provisions
10 herein contained, together with any improvements thereon; to hold,
11 improve, clear, or prepare for redevelopment any such property; to
12 dispose of any real property; to insure or provide for the insurance of
13 any real or personal property or operations of the municipality against
14 any risks or hazards, including the power to pay premiums on any such
15 insurance(~~(: PROVIDED, That no statutory provision with respect to the~~
16 ~~acquisition, clearance, or disposition of property by public bodies~~
17 ~~shall restrict a municipality in the exercise of such functions with~~
18 ~~respect to a community renewal project))~~).

19 (7) To invest any community renewal project funds held in reserves
20 or sinking funds or any such funds which are not required for immediate
21 disbursement, in property or securities in which mutual savings banks
22 may legally invest funds subject to their control; to redeem such bonds
23 as have been issued pursuant to RCW 35.81.100 at the redemption price
24 established therein or to purchase such bonds at less than redemption
25 price, all such bonds so redeemed or purchased to be canceled.

26 (8) To borrow money and to apply for, and accept, advances, loans,
27 grants, contributions and any other form of financial assistance from
28 the federal government, the state, county, or other public body, or
29 from any sources, public or private, for the purposes of this chapter,
30 and to enter into and carry out contracts in connection therewith. A
31 municipality may include in any application or contract for financial
32 assistance with the federal government for a community renewal project
33 such conditions imposed pursuant to federal laws as the municipality
34 may deem reasonable and appropriate and which are not inconsistent with
35 the purposes of this chapter.

36 (9) Within the municipality, to make or have made all plans
37 necessary to the carrying out of the purposes of this chapter and to
38 contract with any person, public or private, in making and carrying out

1 such plans and to adopt or approve, modify, and amend such plans. Such
2 plans may include, without limitation: (a) A comprehensive plan or
3 parts thereof for the locality as a whole, (b) community renewal plans,
4 (c) plans for carrying out a program of voluntary or compulsory repair
5 and rehabilitation of buildings and improvements, (d) plans for the
6 enforcement of state and local laws, codes, and regulations relating to
7 the use of land and the use and occupancy of buildings and improvements
8 and to the compulsory repair, rehabilitation, demolition, or removal of
9 buildings and improvements, (e) appraisals, title searches, surveys,
10 studies, and other preliminary plans and work necessary to prepare for
11 the undertaking of community renewal projects, and (f) plans to provide
12 financial or technical assistance to a person or public body for the
13 purpose of creating or retaining jobs, a substantial portion of which,
14 as determined by the municipality, shall be for persons of low income.
15 The municipality is authorized to develop, test, and report methods and
16 techniques, and carry out demonstrations and other activities, for the
17 prevention and the elimination of blight, for job creation or retention
18 activities, and to apply for, accept, and utilize grants of, funds from
19 the federal government for such purposes.

20 (10) To prepare plans for the relocation of families displaced from
21 a community renewal area, and to coordinate public and private agencies
22 in such relocation, including requesting such assistance for this
23 purpose as is available from other private and governmental agencies,
24 both for the municipality and other parties.

25 (11) To appropriate such funds and make such expenditures as may be
26 necessary to carry out the purposes of this chapter, and in accordance
27 with state law: (a) Levy taxes and assessments for such purposes; (b)
28 acquire land either by negotiation or eminent domain, or both; (c)
29 close, vacate, plan, or replan streets, roads, sidewalks, ways, or
30 other places; (d) plan or replan, zone or rezone any part of the
31 municipality; (e) adopt annual budgets for the operation of a community
32 renewal agency, department, or offices vested with community renewal
33 project powers under RCW 35.81.150; and (f) enter into agreements with
34 such agencies or departments (which agreements may extend over any
35 period) respecting action to be taken by such municipality pursuant to
36 any of the powers granted by this chapter.

37 (12) Within the municipality, to organize, coordinate, and direct
38 the administration of the provisions of this chapter as they apply to

1 such municipality in order that the objective of remedying blighted
2 ((areas)) properties and preventing the causes thereof within such
3 municipality may be most effectively promoted and achieved, and to
4 establish such new office or offices of the municipality or to
5 reorganize existing offices in order to carry out such purpose most
6 effectively.

7 (13) To contract with a person or public body to assist in carrying
8 out the purposes of this chapter.

9 (14) To exercise all or any part or combination of powers herein
10 granted.

11 **Sec. 7.** RCW 35.81.080 and 2002 c 218 s 8 are each amended to read
12 as follows:

13 A municipality shall have the right to acquire by condemnation, in
14 accordance with the procedure provided for condemnation by such
15 municipality for other purposes, any interest in real property, which
16 it may deem necessary for a community renewal project under this
17 chapter after the adoption by the local governing body of a resolution
18 declaring that the acquisition of the real property described therein
19 is necessary for such purpose. Condemnation for community renewal of
20 blighted ((areas)) properties is declared to be a public use, and
21 property already devoted to any other public use or acquired by the
22 owner or a predecessor in interest by eminent domain may be condemned
23 for the purposes of this chapter.

24 ~~((The award of compensation for real property taken for such a
25 project shall not be increased by reason of any increase in the value
26 of the real property caused by the assembly, clearance, or
27 reconstruction, or proposed assembly, clearance, or reconstruction in
28 the project area. No allowance shall be made for the improvements
29 begun on real property after notice to the owner of such property of
30 the institution of proceedings to condemn such property. Evidence
31 shall be admissible bearing upon the insanitary, unsafe, or substandard
32 condition of the premises, or the unlawful use thereof.))~~

33 **Sec. 8.** RCW 35.81.090 and 2002 c 218 s 9 are each amended to read
34 as follows:

35 (1) A municipality, with approval of its legislative authority, may
36 acquire real property, or any interest therein, for the purposes of a

1 community renewal project (a) prior to the selection of one or more
2 persons interested in undertaking to redevelop or rehabilitate the real
3 property, or (b) after the selection of one or more persons interested
4 in undertaking to redevelop or rehabilitate such real property. In
5 either case the municipality may select a redeveloper through a
6 competitive bidding process consistent with this section or through a
7 process consistent with RCW 35.81.095.

8 (2) A municipality, with approval of its legislative authority, may
9 sell, lease, or otherwise transfer real property or any interest
10 therein acquired by it for a community renewal project, in a community
11 renewal area for residential, recreational, commercial, industrial, or
12 other uses or for public use, and may enter into contracts with respect
13 thereto, or may retain such a property or interest only for parks and
14 recreation, education, public utilities, public transportation, public
15 safety, health, highways, streets, and alleys, administrative
16 buildings, or civic centers, in accordance with the community renewal
17 project plan, subject to such covenants, conditions, and restrictions,
18 including covenants running with the land, as it may deem to be
19 necessary or desirable to (~~assist in preventing the development or~~
20 ~~spread of blighted areas or otherwise to~~) carry out the purposes of
21 this chapter. However, such a sale, lease, other transfer, or
22 retention, and any agreement relating thereto, may be made only after
23 the approval of the community renewal plan by the local governing body.
24 The purchasers or lessees and their successors and assigns shall be
25 obligated to devote the real property only to the uses specified in the
26 community renewal plan, and may be obligated to comply with any other
27 requirements as the municipality may determine to be in the public
28 interest, including the obligation to begin and complete, within a
29 reasonable time, any improvements on the real property required by the
30 community renewal plan or promised by the transferee. The real
31 property or interest shall be sold, leased, or otherwise transferred
32 for the consideration the municipality determines adequate. In
33 determining the adequacy of consideration, a municipality may take into
34 account the uses permitted under the community renewal plan; the
35 restrictions upon, and the covenants, conditions, and obligations
36 assumed by, the transferee; and the public benefits to be realized,
37 including furthering of the objectives of the plan for the prevention
38 of the recurrence of blighted (~~areas~~) properties.

1 (3) The municipality in any instrument of conveyance to a private
2 purchaser or lessee may provide that the purchaser or lessee shall be
3 without power to sell, lease, or otherwise transfer the real property,
4 or to permit changes in ownership or control of a purchaser or lessee
5 that is not a natural person, in each case without the prior written
6 consent of the municipality until the purchaser or lessee has completed
7 the construction of all improvements that it has obligated itself to
8 construct thereon. The municipality may also retain the right, upon
9 any earlier transfer or change in ownership or control without consent;
10 or any failure or change in ownership or control without consent; or
11 any failure to complete the improvements within the time agreed to
12 terminate the transferee's interest in the property; or to retain or
13 collect on any deposit or instrument provided as security, or both.
14 The enforcement of these restrictions and remedies is declared to be
15 consistent with the public policy of this state. Real property
16 acquired by a municipality that, in accordance with the provisions of
17 the community renewal plan, is to be transferred, shall be transferred
18 as rapidly as feasible, in the public interest, consistent with the
19 carrying out of the provisions of the community renewal plan. The
20 inclusion in any contract or conveyance to a purchaser or lessee of any
21 covenants, restrictions, or conditions (including the incorporation by
22 reference therein of the provisions of a community renewal plan or any
23 part thereof) shall not prevent the recording of such a contract or
24 conveyance in the land records of the auditor or the county in which
25 the city or town is located, in a manner that affords actual or
26 constructive notice thereof.

27 (4)(a)(i) A municipality may dispose of real property in a
28 community renewal area, acquired by the municipality under this
29 chapter, to any private persons only under those reasonable competitive
30 bidding procedures as it shall prescribe, or by competitive bidding as
31 provided in this subsection, through direct negotiation where
32 authorized under (c) of this subsection, or by a process authorized in
33 RCW 35.81.095.

34 (ii) A competitive bidding process may occur (A) prior to the
35 purchase of the real property by the municipality, or (B) after the
36 purchase of the real property by the municipality.

37 (b)(i) A municipality may, by public notice by publication once
38 each week for three consecutive weeks in a newspaper having a general

1 circulation in the community, prior to the execution of any contract or
2 deed to sell, lease, or otherwise transfer real property and prior to
3 the delivery of any instrument of conveyance with respect thereto under
4 the provisions of this section, invite bids from, and make available
5 all pertinent information to, private redevelopers or any persons
6 interested in undertaking to redevelop or rehabilitate a community
7 renewal area, or any part thereof. This notice shall identify the
8 area, or portion thereof, and shall state that further information as
9 is available may be obtained at the office as shall be designated in
10 the notice.

11 (ii) The municipality shall consider all responsive redevelopment
12 or rehabilitation bids and the financial and legal ability of the
13 persons making the bids to carry them out. The municipality may accept
14 the bids as it deems to be in the public interest and in furtherance of
15 the purposes of this chapter. Thereafter, the municipality may
16 execute, in accordance with the provisions of subsection (2) of this
17 section, and deliver contracts, deeds, leases, and other instruments of
18 transfer.

19 (c) If the legislative authority of the municipality determines
20 that the sale of real property to a specific person is necessary to the
21 success of a neighborhood revitalization or community renewal project
22 for which the municipality is providing assistance to a nonprofit
23 organization from federal community development block grant funds under
24 42 U.S.C. Sec. 5305(a)(15), or successor provision, under a plan or
25 grant application approved by the United States department of housing
26 and urban development, or successor agency, then the municipality may
27 sell or lease that property to that person through direct negotiation,
28 for consideration determined by the municipality to be adequate
29 consistent with subsection (2) of this section. This direct
30 negotiation may occur, and the municipality may enter into an agreement
31 for sale or lease, either before or after the acquisition of the
32 property by the municipality. Unless the municipality has provided
33 notice to the public of the intent to sell or lease the property by
34 direct negotiation, as part of a citizen participation process adopted
35 under federal regulations for the plan or grant application under which
36 the federal community development block grant funds have been awarded,
37 the municipality shall publish notice of the sale at least fifteen days
38 prior to the conveyance of the property.

1 (5) A municipality may operate and maintain real property acquired
2 in a community renewal area for a period of three years pending the
3 disposition of the property for redevelopment, without regard to the
4 provisions of subsection (2) of this section, for such uses and
5 purposes as may be deemed desirable even though not in conformity with
6 the community renewal plan. However, the municipality may, after a
7 public hearing, extend the time for a period not to exceed three years.

8 (6) Any covenants, restrictions, promises, undertakings, releases,
9 or waivers in favor of a municipality contained in any deed or other
10 instrument accepted by any transferee of property from the municipality
11 or community renewal agency under this chapter, or contained in any
12 document executed by any owner of property in a community renewal area,
13 shall run with the land to the extent provided in the deed, instrument,
14 or other document, so as to bind, and be enforceable by the
15 municipality against, the person accepting or making the deed,
16 instrument, or other document and that person's heirs, successors in
17 interest, or assigns having actual or constructive notice thereof.

18 NEW SECTION. **Sec. 9.** RCW 35.81.030 (Encouragement of private
19 enterprise) and 2002 c 218 s 3 & 1965 c 7 s 35.81.030 are each
20 repealed.

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