

# FINAL BILL REPORT

## E2SSB 5254

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Synopsis as Enacted

**Brief Description:** Ensuring adequacy of buildable lands and zoning in urban growth areas and providing funding for low-income housing and homelessness programs.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Fain, Palumbo, Zeiger, Angel, Hobbs and Mullet).

### Senate Committee on Local Government Senate Committee on Ways & Means

**Background:** Growth Management Act (GMA). The GMA is the comprehensive land use planning framework for counties and cities in Washington. The GMA sets forth three broad planning obligations for those counties and cities who plan fully under the GMA: the county legislative authority must adopt a countywide planning policy; the county, and the cities within the county, must designate critical areas, agricultural lands, forestlands, and mineral resource lands, and adopt development regulations accordingly; and the county must designate and take other actions related to Urban Growth Areas (UGAs).

UGAs. Counties that fully plan under the GMA must designate UGAs, areas within which urban growth must be encouraged and outside of which growth may occur only if it is not urban in nature. Planning jurisdictions must include within their UGAs sufficient areas and densities to accommodate projected urban growth for the succeeding 20-year period. In addition, cities must include sufficient areas to accommodate the broad range of needs and uses that will accompany the projected urban growth, including, as appropriate, medical, governmental, institutional, commercial, service, retail, and other nonresidential uses.

Countywide Planning Policy. A countywide planning policy is a written policy statement used solely for establishing a countywide framework from which county and city comprehensive plans are developed and adopted. The policy must address certain issues, including policies for promoting orderly development and provision of urban services, for siting public capital facilities, and for joint county and city planning within UGAs. Cities and the Governor may appeal an adopted policy to the Growth Management Hearings Board (GMHB) within 60 days of adoption.

BLR Process. Counties and cities must determine whether they are achieving urban densities within UGAs by comparing growth and development assumptions in comprehensive plans and countywide planning policies with actual growth and development. Counties and cities

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must identify reasonable measures to comply with GMA requirements. The review must include data collection regarding land uses and activities and must, at a minimum, determine whether there is sufficient suitable land to accommodate countywide population projections.

Affordable Housing For All Surcharge. The county auditor may charge a \$10 surcharge per document recorded. Of the \$10, the county may retain up to 5 percent for administrative costs; 40 percent is deposited into the Affordable Housing for All Account; and remaining funds may be retained by the county for eligible housing activities. The Department of Commerce (Department) must use these funds to provide housing and shelter for extremely low-income households.

Surcharge for Local Homeless Housing and Assistance. From September 1, 2012, to June 30, 2019, the county auditor may charge an additional \$40 surcharge to administer the requirements of the Homeless Housing and Assistance Act. After June 30, 2019, the fee is reduced to \$10. Of the total fee, 2 percent is retained by the auditor to cover collection costs; 60 percent goes to the county to administer a local homeless housing program; 6 percent may be used by the county to cover related administrative costs; and 32 percent goes to programs directly related to accomplishing the goals of the county's local homeless housing plan. Certain documents are exempt from this surcharge.

Capital Project Maintenance - Use of Additional (REET 2) Tax Funds. If the following conditions are met, a city or county may use the greater of \$100,000 or 25 percent of available funds up to \$1 million for the maintenance of capital projects:

- the city or county prepares a written report demonstrating that it has or will have adequate funding from all sources of public funding to pay for all capital projects identified in its capital facilities plan for the succeeding two-year period; and
- the city or county has not enacted, after June 9, 2016, any requirement on the listing or sale of real property; or any requirement on landlords, at the time of executing a lease, to perform or provide physical improvements or modifications to real property or fixtures, except if necessary to address an immediate threat to health or safety.

State Environmental Policy Act (SEPA). SEPA establishes a review process for state and local governments to identify environmental impacts that may result from governmental decisions, such as the issuance of permits or the adoption of land use plans. Except for exempt projects, the SEPA generally requires a project applicant to submit an environmental checklist that includes answers to questions about the potential impacts of the project on the built and natural environments. The information collected through the SEPA review process may be used to condition a proposal to mitigate environmental impacts or to deny a proposal when significant adverse environmental impacts are identified.

**Summary:** BLR Process. For comprehensive plans required to be updated before 2024, the evaluation must be completed no more than two years before the review deadline and, if necessary, update of comprehensive plans.

Reasonable measures are actions necessary to reduce differences between growth and development assumptions and actual development patterns. Counties and cities must consider data regarding zoning, development, and environmental regulations.

The zoned capacity of land, alone, is insufficient to deem land suitable or likely for development or redevelopment.

To determine whether land is suitable for development or redevelopment, counties and cities must:

- review regulations and conditions which may impact development or prevent achievement of planned densities; and
- use a reasonable land market supply factor identifying reductions in suitable land for residential development and employment activities.

The amendments to the BLR process in the bill are subject to the availability of appropriated funds. If funds are not appropriated, counties and cities will be subject to the BLR process as it existed prior to the effective date of the Act.

By December 1, 2018, the Department, in cooperation with local governments and stakeholders, must develop guidance materials on the BLR process. The Department must also develop guidance for the appropriate market factor analysis and review and update of the overall buildable lands program.

Surcharge for Local Homeless Housing and Assistance. The \$40 surcharge may be charged until June 30, 2023. Documents recording a water-sewer district lien for nonpayment of water-sewer services or the satisfaction of such a lien are exempt from the surcharge.

Capital Project Maintenance - Use of Additional REET 2 Tax Funds. From July 1, 2017, to June 30, 2019, the acquisition, construction, improvement, or rehabilitation of facilities to provide housing for the homeless is an allowable use of funds for cities or counties that are able to use additional tax funds for the maintenance and/or acquisition of capital projects. The effective date of this provision is 90 days after the effective date of the bill.

SEPA. When a planned action in an area that contains or will contain a major transit stop is carried out in conjunction with a comprehensive plan or other community plan, significant environmental impacts must be adequately addressed in a threshold determination or in an environmental impact statement. If an infill development area contains or will contain a major transit stop, an environmental impact statement is not the required form of environmental analysis.

**Votes on Final Passage:**

Third Special Session

Senate	47	2
House	85	9

**Effective:** October 19, 2017