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**SUBSTITUTE HOUSE BILL 2607**

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**State of Washington**

**65th Legislature**

**2018 Regular Session**

**By** House Environment (originally sponsored by Representatives Irwin, Wilcox, Fitzgibbon, Stokesbary, Jinkins, Muri, and Santos)

READ FIRST TIME 02/02/18.

1 AN ACT Relating to promoting redevelopment of certain areas to  
2 encourage transit supportive densities and efficient land use; and  
3 amending RCW 84.14.007 and 84.14.040.

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

5 **Sec. 1.** RCW 84.14.007 and 2014 c 96 s 2 are each amended to read  
6 as follows:

7 It is the purpose of this chapter to encourage increased  
8 residential opportunities, including affordable housing  
9 opportunities, in cities that are required to plan or choose to plan  
10 under the growth management act within urban centers where the  
11 governing authority of the affected city has found there is  
12 insufficient housing opportunities, including affordable housing  
13 opportunities. It is further the purpose of this chapter to stimulate  
14 the construction of new multifamily housing and the rehabilitation of  
15 existing vacant and underutilized buildings for multifamily housing  
16 in urban centers having insufficient housing opportunities that will  
17 increase and improve residential opportunities, including affordable  
18 housing opportunities, within these urban centers. To achieve these  
19 purposes, this chapter provides for special valuations in  
20 residentially deficient urban centers for eligible improvements  
21 associated with multiunit housing, which includes affordable housing.

1 It is an additional purpose of this chapter to allow unincorporated  
2 areas of rural counties that are within urban growth areas to  
3 stimulate housing opportunities and for certain counties to stimulate  
4 housing opportunities and redevelopment of areas in urban growth  
5 areas to promote transit supportive densities and more efficient land  
6 use, and near college campuses to promote dense, transit-oriented,  
7 walkable college communities.

8 **Sec. 2.** RCW 84.14.040 and 2014 c 96 s 4 are each amended to read  
9 as follows:

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

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

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

19 (c) The providing of additional housing opportunity, including  
20 affordable housing, in the area, as determined by the governing  
21 authority, will assist in achieving one or more of the stated  
22 purposes of this chapter; and

23 (d) If the residential targeted area is designated by a county,  
24 the area must be located in an unincorporated area of the county that  
25 is within an urban growth area under RCW 36.70A.110 and the area must  
26 be: (i) In a rural county, served by a sewer system and designated by  
27 a county prior to January 1, 2013; (~~(e)~~) (ii) in a county that  
28 includes a campus of an institution of higher education, as defined  
29 in RCW 28B.92.030, where at least one thousand two hundred students  
30 live on campus during the academic year; or (iii) in a county seeking  
31 to promote transit supportive densities and efficient land use in an  
32 area that is: (A) Located no further than one and one-half miles from  
33 the boundary of a city with a population of at least two hundred  
34 thousand; and (B) within three quarters of a mile of a corridor where  
35 bus service is scheduled at least every fifteen minutes for no less  
36 than ten hours per day and is in service or is planned for service to  
37 begin within five years of designation.

38 (2) For the purpose of designating a residential targeted area or  
39 areas, the governing authority may adopt a resolution of intention to

1 so designate an area as generally described in the resolution. The  
2 resolution must state the time and place of a hearing to be held by  
3 the governing authority to consider the designation of the area and  
4 may include such other information pertaining to the designation of  
5 the area as the governing authority determines to be appropriate to  
6 apprise the public of the action intended.

7 (3) The governing authority must give notice of a hearing held  
8 under this chapter by publication of the notice once each week for  
9 two consecutive weeks, not less than seven days, nor more than thirty  
10 days before the date of the hearing in a paper having a general  
11 circulation in the city or county where the proposed residential  
12 targeted area is located. The notice must state the time, date,  
13 place, and purpose of the hearing and generally identify the area  
14 proposed to be designated as a residential targeted area.

15 (4) Following the hearing, or a continuance of the hearing, the  
16 governing authority may designate all or a portion of the area  
17 described in the resolution of intent as a residential targeted area  
18 if it finds, in its sole discretion, that the criteria in subsections  
19 (1) through (3) of this section have been met.

20 (5) After designation of a residential targeted area, the  
21 governing authority must adopt and implement standards and guidelines  
22 to be utilized in considering applications and making the  
23 determinations required under RCW 84.14.060. The standards and  
24 guidelines must establish basic requirements for both new  
25 construction and rehabilitation, which must include:

26 (a) Application process and procedures;

27 (b) Requirements that address demolition of existing structures  
28 and site utilization; and

29 (c) Building requirements that may include elements addressing  
30 parking, height, density, environmental impact, and compatibility  
31 with the existing surrounding property and such other amenities as  
32 will attract and keep permanent residents and that will properly  
33 enhance the livability of the residential targeted area in which they  
34 are to be located.

35 (6) The governing authority may adopt and implement, either as  
36 conditions to eight-year exemptions or as conditions to an extended  
37 exemption period under RCW 84.14.020(1)(a)(ii)(B), or both, more  
38 stringent income eligibility, rent, or sale price limits, including  
39 limits that apply to a higher percentage of units, than the minimum  
40 conditions for an extended exemption period under RCW

1 84.14.020(1)(a)(ii)(B). For any multiunit housing located in an  
2 unincorporated area of a county, a property owner seeking tax  
3 incentives under this chapter must commit to renting or selling at  
4 least twenty percent of the multifamily housing units as affordable  
5 housing units to low and moderate-income households. In the case of  
6 multiunit housing intended exclusively for owner occupancy, the  
7 minimum requirement of this subsection (6) may be satisfied solely  
8 through housing affordable to moderate-income households.

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